

The NATIONAL UNDERWRITER



GENERAL REINSURANCE CORPORATION

90 JOHN STREET, NEW YORK • 200 BUSH STREET, SAN FRANCISCO

Items from Financial Statement of December 31, 1940:

CAPITAL	\$1,000,000.00
SURPLUS	6,000,000.00
VOLUNTARY RESERVE	119,155.92
LOSS RESERVE	7,109,231.83
PREMIUM RESERVE	2,147,806.15
ALL OTHER LIABILITIES	916,415.68

TOTAL ADMITTED ASSETS . . \$17,292,609.58

Securities carried at \$1,208,584.91 are deposited
in accordance with law.

Casualty, Fidelity and Surety Lines



NORTH STAR REINSURANCE CORPORATION

90 JOHN STREET, NEW YORK • 200 BUSH STREET, SAN FRANCISCO

Items from Financial Statement of December 31, 1940:

CAPITAL	\$ 600,000.00
SURPLUS	1,044,331.83
LOSS RESERVE	340,432.71
PREMIUM RESERVE	2,805,392.92
ALL OTHER LIABILITIES	59,516.34

TOTAL ADMITTED ASSETS . . \$4,849,673.80

Securities carried at \$391,513.02 are deposited
in accordance with law.

Fire and Allied Lines

THURSDAY, APRIL 24, 1941

NORWICH UNION

MAINTAINING
the traditions of more than
a century of faithful
and reliable service to agents
and policyholders in every
part of the world

NORWICH UNION **FIRE INSURANCE SOCIETY, LTD.**

Hart Darlington, Manager

Eagle Fire Company **of NEW YORK**

Incorporated 1806

Hart Darlington, President

The Oldest New York Insurance Company

NORWICH UNION **INDEMNITY COMPANY**

Hart Darlington, President

75 Maiden Lane, New York

In NORWICH UNION there is strength

COMPANIES



FIRE • MARINE • CASUALTY • SURETY

Great American Group of Insurance Companies New York

NEW YORK • CHICAGO • MONTREAL • SAN FRANCISCO

AGENTS EVERYWHERE

GREAT AMERICAN INSURANCE COMPANY

NEW YORK, N. Y. • Incorporated 1872

GREAT AMERICAN INDEMNITY COMPANY

NEW YORK, N. Y. • Incorporated 1926

AMERICAN ALLIANCE INSURANCE COMPANY

NEW YORK, N. Y. • Incorporated 1897

ROCHESTER AMERICAN INSURANCE COMPANY

NEW YORK, N. Y. • Incorporated 1928

DETROIT FIRE & MARINE INSURANCE COMPANY

DETROIT, MICH. • Incorporated 1866

MASSACHUSETTS FIRE & MARINE INSURANCE COMPANY

BOSTON, MASS. • Incorporated 1910

THE NORTH CAROLINA HOME INSURANCE COMPANY

RALEIGH, N. C. • Incorporated 1868

COUNTY FIRE INSURANCE COMPANY OF PHILADELPHIA

PHILADELPHIA, PA. • Incorporated 1832

THE AMERICAN NATIONAL FIRE INSURANCE COMPANY

COLUMBUS, O. • Incorporated 1914

DIRECTORS GREAT AMERICAN INSURANCE COMPANY

DANIEL R. ACKERMAN...New York City
Vice-President and Secretary, Great American Insurance Company

EARL D. BABST.....New York City
Chairman of the Board, American Sugar Refining Company

H. DONALD CAMPBELL..New York City
President, Chase National Bank of New York

ARTHUR O. CHOATE...New York City
Clark, Dodge & Co.

JOHN M. DAVIS.....New York City
President, Delaware, Lackawanna & Western Railroad Co.

LOUIS W. DOMMERICH..New York City
L. F. Dommerich & Co., Commission Merchants

JOHN H. HILLMAN, JR.....Pittsburgh
Chairman of the Board, Hillman Coal & Coke Co.

EUSTIS L. HOPKINS.....New York City
Chairman of the Board, Bliss, Fabian & Co., Cotton Goods Commission Merchants

PERCY H. JOHNSTON...New York City
Chairman of the Board, Chemical Bank & Trust Co.

SAMUEL McROBERTS....New York City

ALEXANDER R. PHILLIPS..New York City
Vice-President, Great American Insurance Company

JESSE S. PHILLIPS.....New York City
Vice-President, Great American Insurance Company, Formerly Superintendent of Insurance of New York

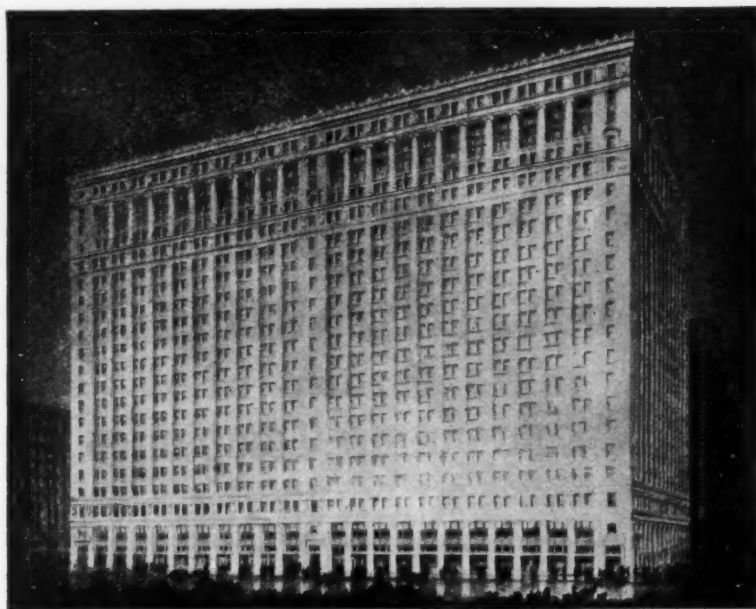
HOWARD C. SMITH....New York City
Estate Trustee

PHILIP STOCKTON.....Boston
Chairman of Executive Committee, The First National Bank of Boston

ROY B. WHITE.....New York City
President, Western Union Telegraph Company

GARRARD B. WINSTON..New York City
Shearman & Sterling, Attorneys

WILLIAM H. KOOP.....New York City
President, Great American Insurance Company and Affiliated Companies



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It actually means many dollars to your office in a business way to be located in the *Insurance Exchange building, 175 W. Jackson Boulevard, Chicago*. It is the very heart of all insurance activity in Chicago and the middle west. Nowhere else in the country will you find so great a centralization of insurance and allied organizations. Producers, prospects and

policyholders just naturally assume that your Chicago office is in the *Insurance Exchange Building*.

The Management of the *Insurance Exchange* is qualified by years of experience and training to handle your insurance office problems. Your inquiry will bring a prompt response.

Advantages OF THE INS. EXCH. BLDG.

Centrally located . . . Within walking distance and only a few minutes away from all railroad terminals, hotels, theatres and restaurants . . . Its convenient location saves time for you and your employees . . . Producers, to save time, come to your office if it is in the *Insurance Exchange* . . . You receive more value for your rental dollar than in any other building in Chicago . . . More insurance dollars are brought into the *Insurance Exchange Building* than any other place.

Let us show you the additional advantages to be gained by having as your Chicago address, *175 W. Jackson Boulevard*.

R. C. Swanson, Manager.

INSURANCE EXCHANGE BUILDING

175 W. JACKSON BOULEVARD • CHICAGO

Educational N. A. I. A. Parley a Hit

Midyette Gives Latest Slant on Current Situations

N. A. I. A. President Gives Report of Administration at Mid-Year Rally

OAKLAND, CAL.—The report of the administration of the National Association of Insurance Agents given by President Payne H. Midyette of Tallahassee, Fla., at the midyear meeting, covered a number of important, current issues, but Mr. Midyette was unable at this time to give the final word on most of the points. His report covered such topics as education, licensing laws, Home Owners Loan Corporation, graduated expenses and commissions, federal defense projects, branch offices, Business Development Office, National Board.

President Midyette mentioned that an educational division has been set up at headquarters in the interest of developing a national program of education.

Controversial Questions

As far as licensing laws are concerned, the conferees were confronted with two controversial questions, one being the retirement of salaried employees from countersigning policies and the other, the proper division of commissions between the originating producer outside the state and the countersigning agent. The executive committee decided that in order to make progress, it was necessary to separate the licensing law from a division of commission regulation. He recalled that as of Jan. 1, 1941, a final draft of a licensing and countersignature law was prepared.

He recalled that last November, a compact was entered into between N. A. I. A. representatives and representatives of the Association of Casualty & Surety Executives, whereunder it was agreed that no member of the executives' association would accept business direct, that on all business originating outside a given state, the policy would be countersigned by a local resident agent compensated on a commission basis; that the countersigning agent would receive 5 percent of the premium with a minimum of \$1 and a maximum of \$50 and where additional services are required of the countersigning agent, then the compensation shall be a matter of contract between him and the producing agent. Mr. Midyette pointed out that this agreement cannot now be applied where statutes are to the contrary.

This agreement does not entirely satisfy the desire of the N. A. I. A. to have all policies on intrastate as well as interstate business put into effect by being

(CONTINUED ON LAST PAGE)

Committee Reports Given at Agents' Mid-Year Meeting

OAKLAND, CAL.—At the mid-year meeting of the National Association of Insurance Agents, interesting reports and recommendations were submitted by the major standing committees. David A. North of New Haven spoke for the membership committee. He said that in recent years the organization has been striving for solidification of the ranks, thus bringing about a minimum of membership turnover. This type of membership, he said, gives the association the most solid basis possible on which to build. He said a campaign in building up membership during a fiscal year on the basis of a pro rate payment for that year nearly always backfires. Any agent, he declared, who has been sold membership on less than an annual dues basis becomes a possible problem. The report said that the committee is convinced that the ultimate solution of all membership problems will be found in the operation of active coextensive local boards. The efforts of the committee, he said, will be directed in an educational capacity to convince them that this principle is the soundest. The minimum standards program, he said, for local boards has been very successful.

As of March 31, membership was at an all-time high, with 15,631 member agencies. In the last five months the net gain in members was 581.

ACCIDENT WORK

A. B. Millard of Grand Rapids, Mich., chairman of the accident prevention committee, said that last year automobile accidents alone took a huge toll of nearly 100 lives every day. Adding to this the unwarranted number of accidents in industry, in the home and in other walks of life, altogether they present a problem that is most serious. Especially this year, the report said, when national defense demands an uninterrupted flow of manpower and material, safety and accident prevention are fundamental necessities for a well ordered general production program. Local agents, he said, should become accident-prevention conscious more than ever before.

Chairman Millard said: "Show an assured or community that you are helping to save a life and you have helped to save or to obtain a premium." Much thought has been given to what plan should be adopted for local boards and state association along accident prevention lines, the report said. Accident prevention work, it declares, sometimes is a thankless job. It is toward a correction of this condition and a better understanding by the public of a local agent's position in prevention matters that the committee is continuing to work, it added. The committee hopes to have something concrete to offer at the annual meeting in Kansas City.

Attention is called to the fact that

bicycle accidents constitute a growing menace in every community.

RURAL AGENTS

Alex H. Case of Marion, Kan., chairman of the rural agents committee, said it was felt that the committee can best serve the rural agents by conducting as complete a survey as possible on the various rural agent problems and activities in which he should be engaged. The personnel of the committee has been increased from five to nine. Each member is known to be very greatly interested in rural agency work. It was decided to assign each member a subject of importance to rural agents.

Conditions Not Uniform

Conditions affecting such agents, the report says, are far from uniform country-wide. Agents in some sections have been successful in solving problems in a manner that can be used in other sections where certain conditions are proving a barrier. When the survey is completed the committee said that it will reveal problems that should be attacked and will give a common ground for activities of a national scope.

The assignments to members of the committee are as follows: Governmental problems, that is, REA, CCC, etc., H. C. Arnall, Newnan, Ga.; public relations, A. H. Case, Marion, Kan.; rural casualty, H. W. Bradshaw, Delphi, Ind.; town mercantile rules and forms, W. F. Flautt, Tutweiler, Miss.; suburban risks, F. J. Marshall, East Aurora, N. Y.; co-operative tendencies of farm organizations, D. R. Peel, Benton, Ky.; rural fire prevention, protection and control, A. J. Peters, Issaquah, Wash.; educational activity of rural agents, A. T. Redel, Pompton Lakes, N. J.; farm forms and classifications, H. J. Thielen, Sacramento, Cal.

The report said that by the end of this year the committee hopes to have some information sent out on each of the specific subjects but up to date the activities, it says, have been largely formulative.

LEGISLATION

R. D. Watts of Beckley, W. Va., chairman legislative committee, said that since the last report was submitted at the annual convention its principal activity has been centered on the \$5,000,000 supplemental appropriation bill for national defense. Attention was called to the fact that Senator Miller introduced an amendment restoring bond and insurance requirements under navy public works contracts, which was adopted by the senate but later in conference it was defeated, leaving the Navy department without bond and insur-

(CONTINUED ON LAST PAGE)

Agents at Mid-Year Gathering Get Abundant Values

Oakland Convention Well Attended—Weather "Typical"—Sharp Issues Dodged

By JAMES C. O'CONNOR

OAKLAND, CAL.—Effective selling and operation of an insurance agency predominated at all the sessions of the mid year meeting of the National Association of Insurance Agents here. Starting with a day devoted to a "Pattern for Production," the convention swung into regular group sessions and then into such subjects as countersignature and commission laws, with forum discussions of justification of the agency system as opposed to branch offices, financed automobile insurance and comprehensive liability policies scheduled to wind up the first Pacific Coast meeting since 1931.

As a result of the attention paid to efficient agency management, in which the Business Development Office participated with the National association, it is believed by many that there will eventually be established a set of standards of operation, more or less compulsory on all members.

At this writing, it appears likely that no official action will be taken on two issues most strongly before the agents, graded costs, including commissions, on large risks, and participating insurance in stock companies. The former was discussed by a special committee, headed by R. W. Howe, Richmond, Va., but the matter apparently has not gotten beyond the expository stage. William Leslie, manager National Bureau of Casualty & Surety Underwriters, conferred with the agents committee. On the subject of participating insurance, the majority feeling is that not enough is known to warrant any position being taken.

In all probability, neither of these two issues will be presented to the convention, although both are the subject of many informal discussions.

There is considerable sentiment for action by the National and state associations to levy the same taxes on mutuals as on stock companies in all states. It may be that a resolution to this effect will be presented.

The convention opened in weather of the type Californians like to call "typical," with an exceptionally large advance registration. The first day was given over entirely to the "Pattern for Production," with past President Allan I. Wolff, Chicago, presiding, and M. W. Mays, New York, director Business Development Office, introducing the speakers.

(CONTINUED ON PAGE 15)

S. T. Shotwell Is Named Coast Head of North British

A. T. Bailey, Insurance Veteran of 48 Years, Is Retiring

Announcement is made by the North British group that, effective May 15, A. T. Bailey will retire as manager and vice-president of the Pacific department after 19 years of service. S. T. Shotwell,



S. T. SHOTWELL

who latterly has been associated with Mr. Bailey as assistant manager, succeeds him. In addition to being manager of the Pacific Department for North British & Mercantile, Mr. Shotwell will also retain his present title of vice-president of Pennsylvania, Commonwealth, Mercantile, and Homeland, of which he will likewise be in complete control.

Mr. Shotwell has a wide acquaintance in agency ranks countrywide, and has made many friends among agents



A. T. BAILEY

through his personality. He has an exceedingly well-rounded underwriting knowledge gained over a period of 25 years, and is acquainted with the problems in automobile, fire and inland marine, having had experience in all divisions of the business.

H. H. Osborn will continue as assist-

Insurance Section of War Dept. for All Lines But Life

WASHINGTON—An insurance section has been established by the war department, to outline policy and general instructions on all insurance except life, which continues under the Veterans Administration.

A branch of the purchase and contract division in the office of the undersecretary of war, the new section will determine general policy on the use, purchase and approval of workmen's compensation, public liability, automobile, fire, marine and miscellaneous lines.

Coordinate Insurance Activities

The section will formulate and issue general regulations to supply divisions and services with the purpose of coordinating insurance activities, and to furnish uniform, efficient and economical handling of insurance matters. It will aid with individual problems. However, various supply arms and services will continue in control of the use, purchase and approval of coverage, subject to promulgations of the new section.

ant manager of the department, a position which he has administered efficiently for a number of years.

Mr. Shotwell entered the business in 1913 and served 20 years in various capacities with New York Underwriters. He joined North British in 1934 as secretary in charge of the automobile department. For about two years, during the period he was in the New York home office, Mr. Shotwell was also in charge of the inland marine department as secretary. He was appointed assistant manager of the Pacific department last November and he has been traveling Pacific Coast territory since that time.

Mr. Shotwell has always been active in automobile matters and served on the eastern regional committee of the National Automobile Underwriters Association and the eastern rates and forms committee.

Mr. Bailey started in 1893 in the agency of Paul B. Gaylord & Co., in Denver. Later he was with Rocky Mountain Fire Underwriters Association and subsequently became special agent for Home Fire & Marine. He served with other companies and continued to advance in positions of importance, being appointed in 1922 as manager of the Pacific and Mountain departments of North British & Mercantile. In 1928 he was made vice-president of the associated companies.

Mr. Bailey is past president of the Pacific Board, former chairman of the executive committee on the Pacific

Octogenarian Still Active in the Business

S. D. Andrus, head of the Andrus & Palmer Insurance Agency at Detroit, he being the sole owner now, celebrated his 86th birthday, April 5.



S. D. ANDRUS

The picture accompanying this article was taken on that day. Mr. Andrus, therefore, is one of the oldest local agents in point of active service. The house which is the birthplace of Mr. Andrus at Watertown, N. Y., is still standing and in good shape although it is upwards of 100 years old. It stands at the corner of Washington and Paddock streets in Watertown. Mr. Andrus is a former field man. He started in the insurance business in Watertown with the old Black River, which was later known as the Northern of Watertown. He was engaged in various lines of business but in November, 1883, he went to Chicago, deciding to return permanently to the insurance field. In April, 1884, he became connected with the Sun of England as special agent in Illinois. In 1903 he was appointed chief clerk of the Providence Washington and later became one of its field men and eventually assistant western manager. He was one of the most popular men in field work in the central west.

McCloy Speaks to Loss Men

NEW YORK—J. J. McCloy, assistant secretary of war, spoke at the 10th anniversary dinner of the Eastern Loss Executives Conference here. President G. L. Scott was toastmaster. Guests included J. K. Hooker, Automobile; T. A. Pettigrew, general manager Underwriters Adjusting; G. W. Lilly, general manager Fire Companies Adjustment Bureau, and H. M. Greenberg, executive general adjuster Western Adjustment. F. E. Sammons, vice-president Hanover Fire, was chairman of the dinner committee.

Coast of the National Board, a director of the National Automobile Theft Bureau since its inception, and a director for many years of the National Automobile Underwriters Association. He also served for 19 years as chairman and vice-chairman of the supervisory committee of the Rocky Mountain Fire Underwriters Association and the managing committee of the Mountain States Inspection Bureau.

Open Policies on War Risk Blessing to Broker, Assured

Expedient Arrangement Is Contrast to Hectic Maneuvering in Former War

Cargoes afloat today which are insured in the American war risk pool amount to several hundred million dollars. On some of this the risk is extremely slight, as on voyages between New York and Boston for example. On others it is extremely high such as those to England. On others, particularly to the Far East, the risk on the basis of experience to date is not very high but voyages take 80 to 90 days and conditions may change drastically before a voyage ends.

Experience has shown that some points in war risk policies needed clarification and the two new clauses that were added last week to the existing form of coverage were for that purpose. The first provides that no claim for freight, storage or other expense due to the requisitioning or commandeering of any vessel by or with the consent of the country whose flag she flies shall be payable. If as a result of requisition or commandeering the insured cargo is discharged at a port or place other than destination the place of discharge shall be considered a port of transshipment within the meaning of clause 4 (c) in the policy.

This means that the insurance coverage will run for 15 days from date of the cargo's discharge, giving the insured time to arrange further coverage. The same additional clause provides that if any vessel shall be ordered into or detained in any port by the United States government in order to protect the vessel and her cargo from danger of enemy action, any resulting loss which would otherwise be covered by the insurance shall not be excluded by clause 3 (c). It was never the pool's intention to deny liability in case of such action by the United States government and the clause merely clarifies its stand.

Sailing Date Governs Rate

The second additional clause provides that unless otherwise agreed the rate of premium payable for each shipment insured shall be the current rate quoted on the sailing date of the overseas vessel or on date of loss, whichever may occur first. On several occasions the question has come up as to whether the rate applied as of the sailing date or as of the date of attachment of the coverage, as there has sometimes been a change in the rate between the two dates. The date of loss is used to fix the rate where a loss occurs as in the case of the "Petalli," which was bombed in Piraeus harbor before sailing.

Because of recent international developments, the underwriters have found it necessary to exclude from coverage under war risk open policies all shipments by Bulgarian, Danish, Hungarian and Rumanian flag vessels and all shipments to or from ports or places in Bulgaria and Rumania. Shipments by French, German and Italian flag vessels and shipments to or from Belgium, Danzig, Denmark, France or any of its Mediterranean possessions or French Morocco, Germany, Holland, Italy or any of its possessions, Norway, Poland or Rumania were excluded from policies by previous endorsements. However, exclusion of shipments from open policies does not mean that coverage cannot be had, but the shipments are not covered under open policies unless they have

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THIS WEEK IN INSURANCE

Mid-year meeting of the National Association of Insurance Agents is being held this week in Oakland, Cal. **Page 3**

Report of administration of National Association of Insurance Agents is given by President Midyette at mid-year meeting at Oakland. **Page 3**

Major standing committees of National Association of Insurance Agents report at Oakland meeting. **Page 3**

Annual meeting of the Western Underwriters Association was held this week at White Sulphur Springs, W. Va. **Page 5**

George W. Scott, director educational division National Association of Insurance Agents, gives outline of what that organization is doing. **Page 7**

National Association of Insurance Agents at its mid-year meeting at Oakland devotes first convention session to discussing "Pattern for Production." **Page 5**

President C. H. Smith of Western Underwriters Association comments on present conditions, in address at annual meeting. **Page 5**

Open policies for marine war risk coverage proved to be a blessing to broker and assured and are in sharp

contrast to the trouble involved in arranging coverage during the last war. **Page 4**

S. T. Shotwell becomes Pacific Coast manager of North British succeeding A. T. Bailey, who retires May 15. **Page 4**

R. M. Beatty, Western Adjustment tells Illinois brokers losses show need for accurate and constant check on values. **Page 10**

Special defense plant fire form is evolved by government and factory groups for Defense Plant Corporation. **Page 8**

W. B. Glassick of Hollywood, Cal., speaks before mid-year meeting of the National Association of Insurance Agents in Oakland on "Streamlined Agency Operations." **Page 35**

Court permits Hoey, Ellison & Frost, New York general agency, to quiz Massachusetts Bonding in their dispute over expirations. **Page 25**

Important staff appointments made by John H. Grady, U. S. manager and attorney of General Accident. **Page 23**

Special liability policy for Defense Plant Corporation, RFC subsidiary, is developed by National Bureau of Casualty & Surety Underwriters. **Page 23**

Production Pattern Theme for Monday at Oakland Meeting

Many Live Subjects Are Presented at National Agency Convention

OAKLAND, CAL.—The National Association of Insurance Agents in its mid-year meeting departed from usual custom this year and made Monday a convention session over which Allan I. Wolff of Chicago, past national president, presided. He is chairman of the agents advisory council of the Business Development Office.

The general theme of the day was "Pattern for Production." The invocation was made by Rev. H. F. Burr, Piedmont Community Church, Piedmont, Cal. M. W. Mays, director Business Development Office, was presented. J. T. Breckon, assistant director B.D.O. at San Francisco, talked on "Constructive Selling;" F. H. Beckmann of Beckmann, Beckmann, Hollister & Cole, business engineers from San Francisco, took as his subject, "Getting Ahead;" and Roy A. Duffus, Rochester, N. Y., gave one of his sales talks.

In the afternoon H. H. Kirschner, manager of Kirschner & Co., advertising experts of San Francisco, talked on "Your Silent Salesman," and H. W. Semmelmeier, manager public relations department Pacific Board, took as his subject, "Making the Unprofitable Account Profitable." H. P. North, assistant director B.D.O. in New York, had "A Day at the Office." W. B. Glassick of Hollywood, Cal., had a model office located in the lobby of the hotel and he spoke on "A Streamlined Office."

J. T. Breckon's Address

Mr. Breckon said that a study revealed that the public had become price conscious during the preceding years due to the depression. Consequently price became the primary consideration and quality or security was secondary. The non-stock competitors capitalized on the reduced circumstances of the insurance buying public with a very strong appeal to price buying. He said

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W. U. A. Head Analyzes the Day's Eventful Scene

WHITE SULPHUR SPRINGS—President C. H. Smith of the Western Underwriters Association in his address at the annual meeting stated that insurance is doing its part earnestly in co-operating with federal defense plans. It is furnishing required indemnity against losses, thus making it possible for the building and equipping of plants for defense industries, defense housing, hospitals, cantonments and other activities.

"It is doubtful if any group of men have furnished a higher degree of co-operation than have the men engaged in this business," he added. "Without this cooperation on the part of the industry, the national defense program would be very seriously handicapped."

"Stock fire insurance as to capacity to serve has never been better equipped and the surety of its guarantees was never better buttressed against the shock of catastrophe or the strain of protracted adversity," he said.

Subject of Attack

"Our business is being continually attacked, and our association likewise is being attacked, sometimes unfortunately from within. However, our business and our association are operated on sound, business-like basis and are able to stand any legitimate investigation or attack. Men engaged in our business have always been law-abiding and are today complying with the provisions of the laws as we know those laws. Probably there never was a time, however, when the association needed the support of all of its members more than at present time. Unfortunately, we all at times take our association for granted and do not learn as much as we should about it. There is undoubtedly confusion in the minds of some of our members concerning what the association stands for and what its objectives are. The less knowledge we have, the more suspicion we have that something is wrong, but the more knowledge we have, the more confidence we have in the high principles for which our association stands."

Comments on Governing Committee

In speaking of the governing committee President Smith said:

"When your president appoints the governing committee, he appoints these men to represent all members of the association, and not the particular companies with which they are connected. This is sometimes misunderstood by

men not on the committee. The membership on the committee is a personal membership—not a company membership. During my seven years as a member of this committee, I have seen no evidence to indicate that any man on the committee talked for or voted for the interests of his individual company as opposed to the interest of all companies. I have seen many evidences of men voting against the individual interests of their company or group when it was apparent that the vote was for the interest of the majority of the membership."

No Rate Advance

Referring specifically to war conditions, President Smith said:

"At the time our country entered World War No. 1, our members were chiefly concerned with ways and means of meeting the increased expense of doing business. The extreme remedy of application to rating authorities for a flat percentage of increase on all rates was immediately agitated and later put into effect. Notwithstanding the much lower rate level of today no one has yet mentioned a war expense rate increase. In my judgment at this time and in the present conditions an advance in rate is not justified and, moreover, is unthinkable. That war activities and the imminence of war itself will increase the expense of our business is inescapable. If as alleged almost every week commission of 35 percent or 40 percent or 45 percent, plus contingents, are being paid to favored agents at selected points, any mention of rates would be at least irrelevant, evasive and tending to confuse the real issue. There are other competitive wastes alleged to be both uncalled for and unfair which are unbidden and unwelcome guests wherever and whenever the policies and practices of our business are discussed."

Should Watch Correspondence

"We still continue to have evidence that some of our members, through a lack of understanding of the functions of our association, write letters that wholly misrepresent the relationship between companies and the association and that may be dangerous to the interests of both the association and the company writing the letters. Your correspondence should indicate the principles in which you believe, and should

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Smith Is Reelected Organization Head at White Sulphur

Annual Meeting of the Western Underwriters Association Well Attended

By C. M. CARTWRIGHT

WHITE SULPHUR SPRINGS—C. H. Smith of Smith & Wheeler, western managers of the Hartford Fire group, was reelected president of the Western Underwriters Association at its annual meeting here this week. Mr. Smith's administration has been highly successful. He is a man of wide experience, a profound student of his business and his influence has been very salutary during the year. W. N. Achenbach, western manager Aetna Fire, again becomes the senior vice-president, thus putting him in line for the presidency a year from now. F. W. Koeckert, United States manager of Commercial Union, was elected vice-president and C. F. Thomas, manager.

Koeckert Second Vice-president

J. C. Harding, Springfield F. & M., chairman of the nominating committee, recommended the reelection of present officers for another term but substituting F. W. Koeckert, Commercial Union, for R. D. Safford, Travelers Fire, for second vice-president, this giving the foreign companies official recognition.

Mr. Harding as governing committee chairman presented its report. The details of the sale of the Uniform Printing & Supply Co. to the Courier Citizen Co. of Lowell, Mass., were recorded. It will continue the old Uniform plants in Chicago and New York City. All the property is transferred but the companies have a lien on some of the plates from which forms are printed. After all the details are completed there will be a distribution of cash among the company members.

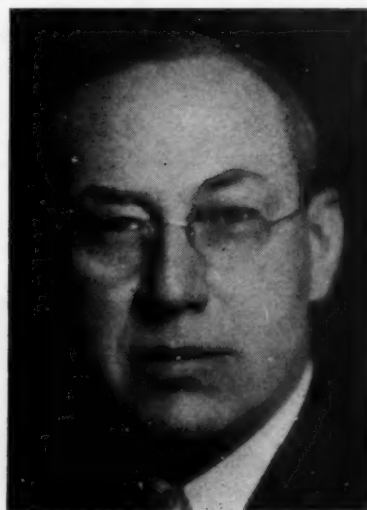
The committee recommended the optional coverage policy to be put into effect in the several states when adopted by the authorities. Now the companies have the fire only policy, tornado only

(CONTINUED ON PAGE 16)

WESTERN UNDERWRITERS ASSOCIATION OFFICIALS



C. H. SMITH, Hartford Fire President



W. N. ACHENBACH, Aetna Fire Vice-president



F. W. KOECKERT, Commercial Union Vice-president



C. F. THOMAS Manager

Pittsburgh Agents Submit Agreement

Ask Companies to Take Early Action on Pact to Correct Abuses

NEW YORK—Fire insurance executives are expressing approbation of the suggested agreement which has now been completed by the Pittsburgh Association of Insurance Agents in association with company representatives for the regulation of business in the Allegheny county territory. The preparation of this agreement has been under way for the past two or three years.

The agreement, after recognizing the responsibility of the signers to the stock fire companies and to the public, holds it essential to "eliminate the possibility of incompetent insurance service, and prevent unwarranted marketing and service remuneration that adversely affects either premium costs to assured or company security."

To attain the desired objectives the agreement recommends "a classification of marketing and service forces consonant with the American agency system and the minimum qualifications for each class, and second, a scale of maximum portion of any premium that may accrue to each of the several classes as either direct or indirect remuneration."

The agreement is the outgrowth of several years of study of conditions in Allegheny county, which have been unsatisfactory for years.

Alexander Had Voice in Project

R. H. Alexander, now deputy commissioner of the Pennsylvania department, was an active figure in working on the agreement while serving as secretary of the Pittsburgh Association of Insurance Agents.

A few weeks ago agents in ordinary

territory in Pennsylvania, who resent the higher scale of commissions allowed in excepted centers, were threatening to present a uniform commission bill in the legislature, patterned after the law in force in New Jersey, which latter grew out of the commission differential allowed in five different jurisdictions of that state.

That move was given up, however, at the instance of leaders who are anxious that abuses be corrected within the ranks and not through legislation.

In submitting the present agreement to the companies the conference committee urges its early and active support by the insurers, so the plan may be put "into operation forthwith."

One of the problems in Allegheny county consists of the operation of mixed general and local agencies and the great number of non-policy writing agents of certain domestic companies.

Wind, Hail and Fire Cause Wide Damage Over U. S.

Windstorm, hail and fire effected substantial losses over the country during the past week.

Forest and grass fires in several Eastern states destroyed numerous homes, churches, and other property. A marsh grass fire swept through the summer shore colonies at Fieldston, Ocean Bluffs and Brant Rock, Mass., destroying more than 450 cottages and homes, a church, amusement casino and business property.

Wind did considerable damage throughout the midwest. At Fillmore, Mo., wind and hail loss was heavy with insurance damage here and elsewhere in western Missouri placed at \$200,000. Around Des Moines and Cedar Rapids there were quite a few small insured windstorm losses. Hail damaged hundreds of windows at Jacksonville, Ill., and there was a scattering of windstorm claims from Ohio and Indiana. Only a few claims were reported from the Chicago area.

Take Stiffer Subrogation Stand

Fire Companies Uncompromising in Claims Against Casualty Insurers

As a consequence of the seriously mounting collision loss ratio, the fire insurance companies generally today are pursuing an uncompromising policy in connection with subrogation claims against casualty companies. Until rather recently, the fire companies have not sought to enforce such claims to the utmost. They have been content very frequently to accept a 50-50 settlement with a casualty company, regardless of whether the casualty company's assured was clearly to blame. Now, however, the fire companies rather religiously are placing these claims in the hands of attorneys and are seeking to recoup to the utmost. In the middle west, the Western Adjustment has increased the facilities of its subrogation department and relationships have been established with attorneys throughout the territory.

This policy is hitting the casualty companies where it hurts, because the same factors that cause an increase collision loss ratio also bring about an increase in property damage losses. According to the annual Automobile Insurance Number of THE NATIONAL UNDERWRITER, the property damage loss ratio of stock casualty companies increased from 42.4 in 1939 to 45.1 in 1940, and the ratio of the mutual companies increased from about 35 to 45. Since the first of the year the experience has been even more adverse.

This is the season when announcement can be expected any day of the new rate program of both the National Automobile Underwriters Association

and National Bureau of Casualty & Surety Underwriters. Some who are in a position to guess, predict that there will be an increase in collision rates, but that the casualty bureau will not make an increase this year. Even if the collision rates are increased within the next few weeks, the situation will not be greatly relieved for the immediate present because of the abnormal new car sales early in the year. These cars have been insured on the present low rate basis and even if rates are increased there will have to be the runoff on this huge volume.

Interregional Conferees at White Sulphur Springs

WHITE SULPHUR SPRINGS—What is familiarly known as the Interregional Conference met here this week. This is a somewhat informal gathering of secretaries of the Eastern Underwriters Association, Southeastern Underwriters Association, Western Underwriters Association and Pacific Board to talk over forms and practices for coverages that have a country wide bearing. An attempt is made toward uniformity but the main object is to keep any one section from going too far in its procedure.

At this meeting were Sumner Rhoades, Eastern; C. F. Thomas, Western; L. T. Wheeler, Southeastern. Sitting in were R. D. Hobbs and R. M. Beckwith, Western Actuarial Bureau; L. P. Jewey, southern manager America Fore, and chairman executive committee S. E. U. A.; J. R. Dumont, Interstate Underwriters Board; Paul Haid, Insurance Executives Association; H. C. Conick, assistant U. S. manager Royal-Liverpool, and Chester Snow of Phoenix of Hartford.

One of the subjects discussed was the U&O coverage during the national defense period, many anticipating heavy losses.

REINSURANCE

FIRE and ALLIED LINES



● NEW YORK 90 JOHN ST.

● LOS ANGELES 215 W. 7th ST.

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INTER-OCEAN
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Education Program for Agents' Benefit

G. W. Scott Tells Course the National Association Is Following

OAKLAND, CAL.—George W. Scott, director educational division of the National Association of Insurance Agents, spoke Wednesday afternoon at the mid-year convention of the National Association of Insurance Agents, on developing a national educational program. He was assistant secretary of the association and had been in special charge of membership. He was shifted to the educational work following the action of the executive committee in creating an educational department. The National Board, the Association of Casualty & Surety Executives and the National Association of Insurance Agents are all studying educational methods. It seemed best for the National association to extend its scope of service to the production division. Since establishing this new unit, Jan. 1, most of the time has been spent in a survey and exploratory work by Mr. Scott to familiarize himself with what activities have been carried on by affiliated units of the organization.

Conference with L. P. McCord

The first so-called short course insurance school was held in Florida, and L. P. McCord of Jacksonville, now chairman of the publicity and educational committee of the National association, is known as the father of the movement. Mr. Scott states that he sought his counsel and spent two days with him going over the ground. Mr. Scott had correspondence with a number of leaders of the different states who are enthusiastic over the educational movement. Additional state associations are sponsoring for the first time some form of an educational program. Different states are using different methods to achieve the same ultimate objective. Among the more publicized classifications are the short course schools, extension courses, production forums, correspondence courses, one-day regional meetings, etc. Mr. Scott said that whatever form of activity is adopted the industry responds heartily and takes advantage of what is offered.

Thinking agents, Mr. Scott said, are eager to learn. The future success of the entire educational movement, he asserted, may conceivably depend more on intelligent programming than any other single feature. He declares that educational leaders who are responsible for program arrangements in the state units should think and plan in terms of related, coordinated, long range programs on a progressive basis. Unless this is done, he said, there will be overlapping, duplication and conflict.

Particular Type of Meeting

Mr. Scott said of great importance is the particular type of meetings used as educational vehicles. The short course school which is the means of providing concentrated study for a period of two, three, four and more days of consecutive effort in one location, usually in connection with a state university or college, has become popular. Other states use the extension plan where each lecturer rides the circuit for a week, teaching an assigned subject. Other states are working in cooperation with field men's organizations and schedule a series of one-day regional or zone meetings. Some states sponsor correspondence courses. Local boards are beginning to adopt educational programs.

Mr. Scott said it is of great importance to know just what type of students will attend educational meetings. For this purpose he separated these students into four distinct classifications. First, beginners in the business; next, office employees of local agents; third, rank and file of insurance agents, and fourth,

local agents more interested in advanced courses. In time, he said, separate courses of study can be developed for each of these groups but for the purpose it seems more logical to concentrate on program material that will have a general appeal for all. Mr. Scott said that he is sounding out intelligent and able men in the business to get their advice. It will be his intention to continue to serve as a coordinator of all parties and interests undertaking the task of preparing and assembling recommended program material.

Speakers Announced for Women's National Association Convention

NASHVILLE, TENN. — M. W. Mays, director of the Business Development Office, New York, will speak at the annual meeting of the National Association of Insurance Women here June 20-22 on "The Ruling Class." Commissioner McCormack of Tennessee also will be on the program.

Mrs. Mildred W. Robertson, former

president of the Nashville association and chairman of the convention publicity committee, states that delegates to the convention will be entertained "house party style" at the Hermitage Hotel and that sightseeing tours to the Hermitage, home of President Andrew Jackson, and other points of interest in middle Tennessee will feature the three-day session. Election of officers will be held Saturday morning. A meeting of the executive committee will be held June 18-19, prior to the opening of the convention.



When too much is not enough

You will see this picture in the April 5 issue of *The Saturday Evening Post*. The absurdity of two umbrellas is fairly obvious, when you are getting drenched in between. They are used here to illustrate the possibility of too many insurance policies and not enough protection.

"Insure The American Way" has been developed for agents of The American Insurance Group. It is

preparing the way for a complete analysis of insurance needs and complete coverage of these needs through insurance sales.

A unique local promotion has been worked out for the exclusive use of The American Insurance Group agents. Back of this promotion stands the power of national advertising and a whole-hearted effort to produce more business for the agent plus more

complete protection and peace of mind for the insured.

Write for complete information. Find out how "Insure The American Way" can be used successfully in your locality. Address The American Insurance Group, Dept. 533, Newark, New Jersey.

INSURE
THE American WAY



THE American Insurance Group

Newark

New Jersey

The American Insurance Company

The Jersey Fire Underwriters

The Columbia Fire Insurance Company

Dixie Fire Insurance Company

Bankers Indemnity Insurance Company

Special Policy for Defense Plant Corp. Properties

RFC Subsidiary Works Out Form with Factory Groups

WASHINGTON—Following negotiations with the five leading factory insurance underwriting groups, the Defense Plant Corporation, a subsidiary of the Reconstruction Finance Corporation, has directed that its interests be protected by a new specially developed fire and supplementary coverage policy created for the exclusive use of the corporation. The insurance is now available through the five groups—Factory Insurance Association, Western Factory, Pacific Factory Association, Western Sprinkled Risk Association and Associated Factory Mutuals.

A special policy has also been developed for the public liability coverages. The Defense Project Corporation has nothing to do directly with defense contracts but owns the land, buildings, machinery and equipment leased to manufacturing concerns which have obtained contracts from the war department for manufacturing defense materials.

Covers Several Locations

The DPC's instructions direct that the policy should be written with a limit equal to the approximate amount of the full insurable value of the project. If new construction work is involved the policy limits should be sufficient to cover the approximate total value when completed, including all machinery and equipment purchased and to be purchased. The policy should show all locations where the property of the DPC will be located. The insurable value should be determined in accordance with the provisions in the policy. Coverage may be written for a term of one, three or five years at the option of the concern which is leasing the equipment from the DPC.

"If new construction work is involved and the building contractor carries a builder's risk form of coverage, such policies should be canceled in view of the coverage being provided in the new form and the building contract reduced by the amount of the premium thereafter borne by this corporation, or the amount of the premium refund if the total premium was paid for the entire project," the instructions state.

Automatic Cover During Construction

The special form provides automatic coverage for increasing values during the construction and acquisition periods and premiums are based on the average value and risk as determined by reports of existing values at the close of each month. The lessee must prepare the reports of insurable values and the supervising engineer must concur. These reports are furnished to the insurance carrier and copy sent to the DPC.

Reports should show the insurable value and all locations under each lease agreement where the property insured is situated but a report of any new location in which property is situated should be made within 30 days of its acquisition.

The special fire form is essentially the "superior" form of stock groups, combined with the Factory Mutuals form, plus some particular additions by DPC.

Chief difference between the DPC and regular forms is inclusion of "other location coverage." It provides that the policy covers insured's interest in prop-

erty anywhere in continental U. S. on premises other than those described (except in transit), if it is acquired in connection with lessee's lease agreement with DPC and amendments thereto, and such interest and location is to be reported by the insured within 30 days.

DPC shall furnish underwriters, not later than the last day of the month, total value at each location as of the last day of the preceding month. These statements shall include those provided for under the "other location coverage" clause. The amount of insurance and premium is thus adjusted.

In addition physical damage and malicious mischief is included as a supplementary coverage in the policy, rather than by endorsement to a regular policy. Stock companies vary the rate if the insured is engaged in war work; mutuals do not.

The form includes provision for insurer paying cost of removing debris blown on premises by wind, in excess of \$200, a mutual provision but new for stock companies.

The special DPC form which is attached to the standard fire policy provides protection for every possible hazard except earthquake, which may be added by assumption endorsement. The form may not be used for insured other than DPC.

Modernized Reports Would Build Better Public Relations

NEW YORK — Fire companies should streamline annual statements to the public, F. S. Dauwalter, assistant general manager National Board, said in an address to the Insurance Accountants Association.

"While some fire companies are attempting to explain operations in an understandable manner, most of them stick to the barest outline," Mr. Dauwalter said. He contrasted the 1940 statement of Equitable Society, and suggested that annual statements of fire companies might be made more interesting with pictures of risks insured, of losses paid and homes and businesses saved. If names of persons involved and date and location of losses were included, appeal would be increased tremendously.

Some Bad Expressions

In a recent annual report of a fire company was the statement: "The company increased its reserve for unearned premiums as required by law." To the uninformed, this suggests that

except for "the law" it wouldn't set up necessary reserves to protect policyholders. Why not leave the impression the company has adequate reserves and is anxious to protect policyholders, wonders Mr. Dauwalter.

This statement also mentioned a "statutory underwriting profit." "Operating" might be more widely understood than "underwriting." Also, "profits" today connote something that is not "earned," but as the prestige of "profits" has declined, so the prestige of "earnings" which, in the popular concept, are won by the sweat of the brow, has increased. Why not "operating earnings" instead of "underwriting profits" in annual statements? Mr. Dauwalter asked.

Statements might also show policyholders that taxes in 1939, for example, were more than 5 percent of premiums paid; approximately 11½ percent of loss payments; and some 70 percent of salaries paid home office employees, more than net underwriting earnings.

Over a period of years dividends paid stockholders have amounted to only 40 percent of the sums earned from investments alone. Residue of investment earnings plus all underwriting earnings have been plowed back into policyholders' surplus to provide a greater margin of security for the public.

American Equitable Assurance Company of New York
Organized 1918 Capital \$1,000,000.00

Globe & Republic Insurance Company of America
Philadelphia, Pa. Capital \$1,000,000.00 Established 1862

Knickerbocker Insurance Company of New York
Organized 1913 Capital \$1,000,000.00

Merchants and Manufacturers Insurance Company
Organized 1849 of New York Capital \$1,000,000.00

New York Fire Insurance Company
Incorporated 1832 Capital \$1,000,000.00

United States Fire Department
Switzerland General Insurance Company, Ltd.
Zurich, Switzerland Established 1869



Losses paid exceed
Two Hundred and Fifty Million Dollars

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N.F.P.A. Committee Reports Dovetail with Defense

Fire defense will be the keynote of the annual meeting of the National Fire Protection Association May 12-16. Essential measures to safeguard defense production from interruption by fire due to sabotage, bombing or accidental hazards will be discussed.

The protection of cities from the possible effects of incendiary bombing and the organization and equipment best suited for the fire defense of American and Canadian cities will be reviewed. Special fire problems in aviation, parachute fighting of forest fires, civilian defense plans and other topics will be discussed.

Included in the program are reports of committees proposing action on a number of important standards. These standards are advisory as far as the N. F. P. A. is concerned, but after adoption by the association, are widely used as the basis of state and municipal regulation of fire hazards and as fire insurance standards.

Removal of Floating Dust

The committee on dust explosion hazards under the chairmanship of Dr. David J. Price of the U. S. department of agriculture, will present codes to minimize the hazard of grain dust explosions. Suggested good practice requirements for the application of suction and for venting will be proposed to remove the fine floating dust which has been responsible for previous explosions, with safeguards to prevent removing actual grain. Removing this fine dust, the committee finds, will have only a negligible effect on weights.

The committee also is presenting a proposed code for the prevention of dust ignitions in country grain elevators. The attention of the committee has previously been directed primarily to terminal elevators.

A committee, under the chairmanship of L. P. Dendel of Lansing, Mich., formerly chairman of the Michigan Electrical Inspection Board, will present a suggested state electrical inspection law to assure installations in compliance with the national electrical code. The primary need is in the rural areas which have not heretofore had electric service. This committee project was instituted at the request of the state fire marshals. The representatives of the Edison Electric Institute and National Electrical Association do not agree with this proposed program and it is expected that a minority report will be presented.

Transportation of Explosives

A suggested ordinance covering the storage, handling, sale and transportation of explosives in cities is to be presented by a drafting committee under the chairmanship of W. G. Hayne of the New York Board. This is a revision of an earlier N. F. P. A. ordinance. It recognizes the necessity of the use of explosives in cities for blasting and various other purposes and sets up procedures for municipal regulation of explosives with a minimum of interference with their legitimate use. Certain highly dangerous explosives are prohibited altogether. Quantities are limited in relation to the storage arrangements and a system of permits is established to facilitate proper supervision by municipal authorities.

Standard on Smoke Pipes

The committee on field practice is presenting a new standard on smoke pipes and furnace pipes which specifies the thickness of the metal, character of joints, method of support, maintenance and other features pertaining to the fire hazard. This report will be presented by the chairman, Arthur G. Smith, chief engineer of Travelers Fire.

The committee on finishing processes now recommended modifications in the standards to permit the use of special safety glass of limited size in booths

used for the spraying of paints, enamels and other finishes in quantity production products. Heretofore wired glass has been specified. This report will be presented by the chairman, Benjamin Richards, manager of Underwriters Service Association, Chicago.

Dean W. R. MacCormack of the department of architecture, Massachusetts Institute of Technology, will present the report of the committee on fire protection engineering education. This committee has developed an outline of a suggested course in loss prevention for architectural and engineering students.

With the report will be presented a summary of the instruction in fire protection now being given in schools. Replies to a questionnaire have shown that out of 107 institutions, 62 have substantially no fire protection instruction; at 30 others the subject is touched on incidentally; and in 13 fairly broad instruction in fire protection fundamentals is included. Only the Illinois Institute of Technology has a major department in fire protection engineering.

In underground gasoline tanks where

there is leakage and the gasoline finds its way into basements, manholes or sewers, a serious hazard may be created and there have been a considerable number of fires and explosions due to this cause. The committee on flammable liquids, under the chairmanship of H. L. Miner of the duPont Company, has sponsored a study of the problem.

The committee on gases, under the chairmanship of H. E. Newell, assistant chief engineer of the National Board, sponsored the development of a recommended tentative standard to prevent explosions in hospital operating rooms. It deals with the prevention of shocks and sparks from electrical equipment and static electricity. Methods of storage and use of combustible anesthetics, ventilation, and other features are covered.

In locations where sparks from static or frictional electricity may be a hazard, proper grounding of everything in the room is recommended. The movement of persons in a room may cause sparks and the personnel must be grounded. Use of electrically conductive rubber is advocated for various items of hospital operating room equipment and for the shoes of personnel.

The report of the committee on static electricity is a study of the numerous industries and processes where fires and explosions due to static electrical sparks

are to be feared with recommendations. The generation of static electricity cannot be prevented but the hazard can be eliminated by proper measures.

The committee on hazardous chemicals and explosives has prepared a report dealing with various common hazardous chemicals, including data on the most effective extinguishing methods, the fire hazard characteristics, life hazard, etc. This report is to be presented by A. H. Nuckolls, chemical engineer of Underwriters' Laboratories.

Trailer pumps and other auxiliary

(CONTINUED ON PAGE 30)

Security Sends Mystery Packet

In connection with its 100th anniversary year, Security of New Haven is sending a "mystery package" to those on its mailing list. This will be delivered on May 8 and although it will not be a bomb, it is said that it will explode an old custom and "temporarily disrupt the routine" of the recipients.

New Ark. Deputy Fire Marshal

LITTLE ROCK — Commissioner Graves has appointed J. H. Lawhorn, Jr., of England deputy fire marshal to succeed Kramer Roberts of Little Rock, who resigned to become investigator for the Automobile.

SWISS REINSURANCE COMPANY OF ZURICH SWITZERLAND

UNITED STATES BRANCH

*Financial Statement as of December 31, 1940
As made to the New York Insurance Department*

ADMITTED ASSETS

Government and State Bonds	\$8,749,662.80
Railroad Bonds and Stocks	2,510,168.87
Miscellaneous Bonds and Stocks	3,775,684.69
Real Estate	205,451.70
Mortgage Loans on Real Estate	560,673.75
Premiums in Course of Collection (Not over 90 days due)	325,991.38
Cash and Bank Balance	277,973.12
Interest Accrued	72,050.29
Other Assets	601.50

Total Admitted Assets.....\$16,478,258.10

LIABILITIES

Reserve for Unearned Premiums	\$6,427,948.50
Reserve for Unpaid Losses	782,218.66
Reserve for Depreciation of Real Estate and Mortgage Loans	150,000.00
Reserve for all other Liabilities	205,000.00
General Voluntary Reserve	3,913,090.94
Statutory Deposit \$ 500,000.	
Surplus over all liabilities	4,500,000.

SURPLUS to Policyholders 5,000,000.00

Total.....\$16,478,258.10

On the basis of December 31, 1940 Market Quotations for all Bonds and Stocks Owned

This Company's Total Admitted Assets would be increased to.....\$17,027,427.68

And Surplus to Policyholders to.....5,549,169.58

Securities carried at \$654,012.85 in above Statement are deposited as required by law.

FIRE REINSURANCE

RODNEY DAVIS, United States Manager
250 Park Avenue, New York

Accurate Values Big Need Now, Beatty Tells Brokers

Measuring accurately values for insurance purposes is something the average broker or any other one person cannot do, R. M. Beatty, Cook County manager for Western Adjustment told members of the Insurance Brokers' Association of Illinois at a meeting in Chicago Wednesday.

The broker should recommend the assured make a complete, competent, and careful inventory of the property at present day cost of replacement less depreciation. If the assured can't do it, then the broker should suggest the assured employ a competent appraisal firm.

Several Inaccurate Methods

Brokers use several methods of determining insurable values, none of which is accurate, Mr. Beatty said. They may take the book value. This is predicated on the original cost, or on several original costs for building additions made at several times. The broker accumulates these and depreciates the aggregate. The resulting value is fictitious. The same thing occurs in valuing furniture and fixtures.

Or the broker may rely on an appraisal made several years ago which hasn't been corrected to present day costs or depreciation. Or he may pick a figure out of the air, taking into account book records, or an appraisal, or both.

May Keep Up Insurance Value

Mr. Beatty believes the time is coming when every concern will keep up to date its insurance valuation records. Values will be adjusted periodically to reflect original cost, additions and changes in reproduction costs, so that on any given date an accurate insurance valuation is available.

Every concern makes a periodic inventory of merchandise. Some are monthly, Quarterly and half-yearly inventories are common, and all of them have a yearly stock-taking.

If they are willing to absorb the cost of this inventory, it is reasonable to believe they will eventually keep inventories on fixed property, which represents two-thirds to three-fourths of the value of the businesses.

Losses Reveal Deficiencies

On any number of losses insurance was based on the last inventory of stock. Yet replacement cost has increased materially since then. This has resulted in a considerable deficiency in insurance and a penalty under the co-insurance clause.

In one case, Mr. Beatty illustrated, there were six mercantile losses in one building in which all were from 10 to 25 percent contributors. Most of this was due to the fact they didn't keep their insurance values up to date.

Even with the reporting form, rising prices and increased inventory holdings to protect against rising prices and inflation are pushing up values so rapidly the concern needs attention from its broker.

Urges Inventory Check

Mr. Beatty urged brokers to request assured to check inventories on the possibility of a considerable increase in replacement cost and advise adjustment in insurance accordingly. Brokers should do this at once and they should do it constantly.

During good business periods the average concern is inclined to understate inventory values for several reasons. Specific inquiry in each case is essential to determine if this is true, and inventory figures adjusted upward in accordance with the facts, declared Mr. Beatty.

Manufacturers and others are so busy they aren't thinking of insurance. In ordinary times insurance isn't their prime concern, and now it is well down the list. The broker must keep after the assured: he should take every ac-

count he has and go over everything. The need is very real at the present time for such service.

The U. & O. 80 percent contribution form is not thoroughly understood, stated Mr. Beatty. He called specific attention to the terms of the contribution clause. It requires the assured to carry 80 percent of the sum of net profits and all charges and expenses, whether these charges and expenses continue or not during suspension of business.

A simple, generally applicable formula to follow is to compute the total net sales and deduct therefrom these items: Cost of materials used, and, in the case of mercantile, cost of goods sold; ordinary payroll, and heat, light and power.

"We find from actual adjustments that in attempting to determine proper U. & O. value many factors and expenses are overlooked. Starting with total net sales and making the deductions, it is practically impossible to overlook any items."

Adjust to Future

Mr. Beatty emphasized the need for adjusting the results of the previous year's business to the probable experience of the ensuing year. Some consideration should also be given to even the second year following the estimate of values. If, on a one-year U. & O. policy, the loss occurs near expiration, the loss period involved actually would fall in the second year from date of placing the insurance, and the amount of coverage might prove to be entirely inadequate for that period of suspension.

Bugli, Osgood and Hodson on Illinois Agents Program

Ralph W. Bugli, advertising manager of London Assurance; Robert D. Hodson, agency supervisor of Aetna Casualty in Illinois, and R. G. Osgood, resident manager of the North America's service office in Chicago, will be on the program of the regional meetings to be held May 13-15 by the Illinois Association of Insurance Agents. Regions 2, 3 and 5 combined will meet May 13 at La Salle, Regions 4 and 6 combined at Quincy May 14, Regions 7 and 8 combined at the Broadview hotel, East St. Louis May 15. Field men are cooperating to assure large attendance.

Mr. Bugli will be the keynoter. His subject has not been selected. Mr. Hodson, well known to Illinois agents, had several years' experience as an agent of Chicago Heights. He has been instructor in casualty insurance classes for his company for four years and will discuss casualty coverages. In the fire field, Mr. Osgood, graduate of Armour Institute, former Michigan state agent, then field supervisor and agency superintendent, will be the lecturer. He has been active in Business Development work and is a member of the fire prevention committee of the Chicago Association of Commerce.

Eugene F. Engelhard, Chicago, executive vice-president Illinois association, is directing preparation of the program for the meetings.

Minn. HOLC Ruling Asked

ST. PAUL—Commissioner Johnson has asked the attorney-general for an opinion on the legality of the SCA-HOLC insurance contract. Shortly before he retired from office former Commissioner Yetka ruled that the contract was invalid but did so without asking an opinion of the attorney-general. Commissioner Johnson has now asked for such an opinion.

President F. A. Hubbard and Vice-president W. K. Maxwell in charge of the western department of Hanover are in Florida on a vacation trip.

"Automobile Accidents just happen"

is the theme of the Alliance national advertising for April.

The illustration shows a flooded parking lot with tops of automobiles peeking forlornly above water.

With the obvious hint that his car too, may be ruined by some unforeseen disaster, the reader is advised to protect his financial interest by taking out an Alliance Comprehensive—including Collision—Automobile Policy.

For this blanket coverage of his car, the advertising tells the reader to

"Ask the Alliance Agent"



**THE
ALLIANCE INSURANCE CO.
of PHILADELPHIA**

Head Office:—1600 Arch St., Philadelphia

Service Offices located in principal cities
Complete nation-wide insurance facilities
for Agents and Brokers

NEWS OF FIELD MEN

Travelers Fire Transfers Carl Zecher to Seattle

Carl Zecher, special agent Travelers Fire in San Francisco, has been transferred to Seattle to succeed Lynn M. Latta. Mr. Latta was recently appointed manager of the city department in San Francisco, succeeding the late David Christian.

L. A. Larson, San Francisco underwriter, will take the position vacated by Mr. Zecher. Mr. Zecher joined Travelers in 1929 as a fire counterman at San Francisco and in 1936 was appointed special agent.

Mr. Larson also joined the company in 1929 and has been underwriting important Pacific Coast business.

Nichols Made St. Paul Special

John T. Nichols, who has been employed in the home office, has been appointed special agent of the St. Paul Fire & Marine to assist G. W. Perry, who has looked after most of the field and loss work in St. Paul for many years. Mr. Nichols will have headquarters at the home office.

Veterans Honored in Los Angeles

LOS ANGELES—With 114 in attendance, the Southern California Fire Underwriters Association paid honor to Richard Waldron, secretary of District C, Pacific Board and L. H. Earle, assistant secretary, for their long service with the board. President C. E. Curry, Providence Washington, presided at the dinner and A. M. Pfalzer, London & Lancashire, was master of ceremonies.

D. W. Pierce, Sr., resident vice-president Royal-Liverpool group, paid tribute to Mr. Waldron, whose service dates back to 1911, and Roy Elmore, resident secretary Pacific National Fire, to Mr. Earle, who joined the board in 1928. Howard Swift spoke for the board employees, and A. N. Bushnell, Sr., Fireman's Fund group, presented mementoes to the honor guests.

S. L. Carpenter, Jr., manager Pacific Board, and two of his assistants from San Francisco attended.

Plan Public Relations Work

LOS ANGELES—The speakers committee of the Fire Underwriters Association of Southern California, of which V. W. McKinney, America Fore, is chairman, has mapped out a plan to bring the facts of fire insurance more closely home to the public through addresses before service clubs, social clubs and other civic organizations, under sponsorship of local agents associations.

Chairman McKinney, during the mid-year convention of the National Association of Insurance Agents at Oakland this week conferred with H. W. Semmel-meyer, manager of public relations of the Pacific Board, relative to cooperation along this line.

N. J. Field Club Dinner

NEWARK—The New Jersey Field Club will hold a dinner here April 28. A technicolor movie of Sun Valley, Ida., will be shown. Several new members will be voted on.

Change Kansas Meeting Program

C. E. Stiehl, London & Lancashire, Topeka, president Kansas Fire Prevention Association, has announced a change in the plans for the annual meeting in Wichita May 6. A luncheon meeting is now scheduled, to be followed by the business meeting and election. That morning the Kansas Fire Underwriters Association will hold its annual meeting while the Kansas Blue

Goose will meet at 3 p. m., followed by an initiation, with the banquet in the evening and the golf tournament the next day at the Crestview Country Club.

Blue Goose Buys Ambulance

In compliment to their Canadian members, the Blue Goose ponds of the United States have contributed a fund for the purchase of an ambulance for use in Great Britain.

A check for \$1,660 was presented Monday to the New York downtown branch of the British War Relief Society by B. S. McKeel, most loyal grand gander, and P. M. Winchester, grand keeper, and was accepted on behalf of the war relief society by Maj. C. R. Redgrave.

Joint Indiana Inspection

A joint inspection of South Bend and Mishawaka, Ind., was conducted by the Indiana Fire Prevention Association and sponsored by the South Bend-Mishawaka Insurance Exchange, of which J. H. Kiracofe is president. W. H. Bruner was chairman for the South Bend

arrangements and A. J. Schindler for Mishawaka. A luncheon was held in each city and H. K. Rogers, Western Actuarial Bureau, spoke. Clem Smith, state fire marshal, also spoke at the South Bend luncheon. Between 1,800 and 1,900 properties were inspected and 90 field men participated.

M. B. Yager Resigns Indiana Post

M. B. Yager this week announces his resignation as Indiana state agent for the Meserole companies. He has been in the Indiana field for many years, previously with the Firemen's group. He has not yet announced his plans for the future, and the Meserole group has not yet made arrangements for a successor. The plans of the Meserole companies in Indiana will be announced at a future date.

Farewell Dinner for Moriarty

A farewell dinner was tendered P. J. Moriarty, Detroit manager of the North British group, by his associates in Detroit, due to his retirement. This dinner was attended by a good number of the important agencies from the nearby territory, and also by a number of company executives from Chicago and New York.

At the dinner C. F. Shallcross, United

States manager of North British, presented Mr. Moriarty with a wrist watch from his associates. Mr. Moriarty was also presented with a package of complimentary daily reports representing several thousand dollars in premiums from agents.

Dakota Towns Inspected

Pierre and Fort Pierre, S. D., were inspected last week. The inspection was sponsored by the Pierre chamber of commerce and the arrangements were made by C. P. Dalbey, president, and Jack Krug, secretary of the South Dakota Fire Prevention Association and C. V. Gibbs, state agent U. S. Fire. Speaker was R. E. Vernor, Western Actuarial Bureau, Chicago.

The North Dakota Fire Prevention Association will inspect Valley City, N. D., May 9. J. B. Taylor, Western Actuarial Bureau, will speak the evening of May 8.

The Nebraska Fire Prevention Association will make an inspection of Wymore, April 30.

California Blue Goose Slate

LOS ANGELES—The nominating committee of the California Blue Goose will present this slate May 9: Most loyal gander, K. H. C. Dunbar, Fire Com-

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panies Adjustment Bureau; supervisor, Harold Smethurst, Travelers Fire; custodian, L. L. Brown, National Automobile Club; welder, Eugene Davis, Hindman & Davis, attorneys; keeper, Ariel C. Harris, Aero Insurance Underwriters; guardian, R. D. Misner, John A. Whalley & Co.; grand nest delegates, Mr. Dunbar and E. W. Dunn, Selbach & Deans.

Plan for W. Va. Blue Goose Rally

Herbert Fahlgren, Camden, most loyal gander of the West Virginia Blue Goose, has appointed committees to plan the annual meeting May 15 at Parkersburg. The meeting will be followed by a golf tournament and banquet. J. E. Tetlow, Fireman's Fund, Charleston, is general chairman. Members of the Ohio pond are invited:

St. Paul Has Field Conference

ST. PAUL—The first in a series of regional conferences with field men was held this week at the home office of the St. Paul Fire & Marine for field men from Ohio, Indiana, Michigan and Canada.

These conferences will continue until all sections of the country are covered.

K. C. Blue Goose Elects April 28

KANSAS CITY—The annual meeting of the Heart of America Blue Goose will be held April 28. Election will follow an initiation of goslings. Merl Odell, America Fore, is most loyal gander.

Ohio Blue Goose Meets May 5

COLUMBUS—The annual meeting of the Ohio Blue Goose will be held May 5 at the University Club. A business meeting, initiation, and election of officers begins at 4 o'clock. Following this, there is a cocktail hour, with dinner at 6:30. J. D. Lecky, Jr., Royal Exchange, is in charge of reservations.

Smith Resigns from Eagle Star

H. W. Smith has resigned as state agent of Eagle Star in northern New Jersey and suburban New York.

NEWS BRIEFS

Field men of Parkersburg, W. Va., gave a farewell party in honor of F. E. Hill and Mrs. Hill. Mr. Hill is being transferred to Columbus, O., where he will supervise southern Ohio for New Hampshire and Granite State.

At a luncheon meeting of the Minnesota Blue Goose, a talk and motion pictures on the aviation division of the naval reserve were presented by Lieut. Commander Arthur Helm, a cousin of Clyde B. Helm, secretary of the Insurance Federation of Minnesota.

A. R. Goodall, Iowa state agent New York Underwriters and secretary of the Iowa Fire Prevention Association, is the father of a baby boy.

More than 100 attended the spring party of the Iowa Blue Goose. Bridge and dancing followed a dinner.

Col. Abbott Boone, commander of Fort Mason in San Francisco, spoke on "The Conquest of Civilization" before the San Francisco Blue Goose. This was Colonel Boone's second appearance. Carl N. Homer of Swett & Crawford presided.

The Fresno puddle of the San Francisco Blue Goose is staging its annual ceremonial, banquet and barbecue May 2-3.

The inspection which was to have been held at Louisville, O., April 30 by the Ohio Fire Prevention Association has been postponed until May 21.

Henry Olson, vice-president First Bancredit, Chicago, was the speaker at the quarterly meeting of the Illinois Field Club at Moline, Ill.

The E. C. Phillips agency, Chattanooga, Tenn., has purchased the business of the Lyle Stovall agency.

Subscribe to Accident & Health Review, \$2 year, 175 W. Jackson Blvd., Chicago.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

SUBURBAN GROUPS ELECT

Officers elected by New York Suburban Fire Insurance Exchange at a recent meeting are A. A. Nelson, secretary American Eagle, president; G. F. Neily, vice-president Federal Union, vice-president, and W. L. Chambers, local secretary North British, treasurer.

The suburban division executive committee of the New York Fire Insurance Rating Organization has elected A. L. Ross, assistant secretary Crum & Forster, chairman, and Mr. Nelson, vice-chairman.

W. J. Reynolds, vice-president Corroon & Reynolds, was named chairman of the rate appeal committee and R. G. Ganner, assistant secretary London Assurance, chairman of the agency qualification committee.

REPORT ON UNPAID PREMIUMS

Unpaid earned premiums on fire policies in November, 1940, were \$13,638, an increase of \$1,283 over November, 1939, according to the Central Bureau. Casualty companies reported unpaid earned premiums of \$59,499, a decrease of \$6,452.

WORK FOR CONFERENCE MERGER

With the return from the Pacific Coast of W. F. Roembke, manager of the sprinkler leakage and explosion conferences, consideration of the merger of the two bodies, proposed at their respective meetings early this year, will likely be taken up in earnest, and a practical plan for the consolidation worked out.

The two conferences have a membership of 240 companies, and exercise nationwide jurisdiction over sprinkler leakage, explosion, riot and civil commotion, aircraft, motor vehicle property damage, vandalism and malicious mis-

chief, earthquake and land war risk forms of coverage.

ROYAL-LIVERPOOL RELIEF DANCE

The committee for British war relief of the Royal-Liverpool group, New York, is sponsoring a dance for its New York office employees, the returns to go to British and Greek relief. The dance will be on May 1 and it is a part of the program among the employees that has been going on for the last year and a half. The committee in charge includes Douglas Leese, fire; W. G. E. Thompson, casualty, and George Bernard, marine.

BROOKLYN BROKERS MEETING

The Brooklyn Insurance Brokers Association had as guests at the regular monthly meet Wednesday the Brooklyn Fire Agents Association members. William Ittner, Valentine, Ittner & Poggenberg, Brooklyn, president of the fire agents association, spoke on "Equality." This was followed by a discussion of the progress of the negotiations between the Brooklyn Fire Agents Association and the New York Fire Insurance Exchange. The Brooklyn agents are trying to gain equal recognition and representation in the exchange. Alex Goldberger, president of the brokers association, presided at the meeting.

KENNEDY AGENCY TO NEW OFFICES

The Paul J. Kennedy Agency, Inc., New York, has moved into new and enlarged offices at 59 John street. The agency, which is six years old, is nationwide binding agent for Sun, Piedmont and State of Pennsylvania. Last fall Mr. Kennedy was appointed United States manager for Halifax. Associated with Mr. Kennedy are George C. Hahn, H.

F. Eggert, Jr. and Pemberton H. Lincoln.

Mr. Kennedy started his insurance career with Marsh & McLennan in 1919 in the New York office. He then went with Public Fire as secretary in charge of the brokerage department, later becoming vice-president. Before forming the agency he was in charge of the business development department of the America Fore group.

Mr. Hahn became associated with the agency on Feb. 1, after serving eight years with the New York office of North America as production head. He started as an office boy with Hall & Henshaw, working up to local assistant underwriter. He has served with the J. S. Frelinghuysen general agency, Hoey & Ellison and Pacific Fire, the latter for 14 years.

Mr. Eggert and Mr. Lincoln joined the agency March 15. The former started with Chubb & Son in 1936, and the latter with the New York office of Marsh & McLennan in 1935.

PARTY FOR HOME EMPLOYEES

The 59 Maiden Lane Club, a social organization for the employees of Home of New York, held its annual entertainment and dance with over 2,000 attending. Entertainment was furnished by some 200 employees, including individual acts, the men's and women's glee clubs, the symphony orchestra and the dance orchestra.

Howard F. Fenn, Jr., service department, president of the club, was in charge of arrangements. William Penn, marine department, was master of ceremonies. E. L. Jansen directed the symphony orchestra; James Batmasian, the dance orchestra; J. W. Barrick, the men's glee club, and Hattie M. Schneider, the women's glee club.

VISITING NEW YORK OFFICES

W. L. Braerton, L. H. Simonton and J. L. Brown, of Braerton, Simonton, Brown, Inc., Denver general agents, are visiting for a few days in New York. They are calling on some of the officers of the companies they represent in the Rocky Mountain field.

More States Start Survey of Fire Protection Status

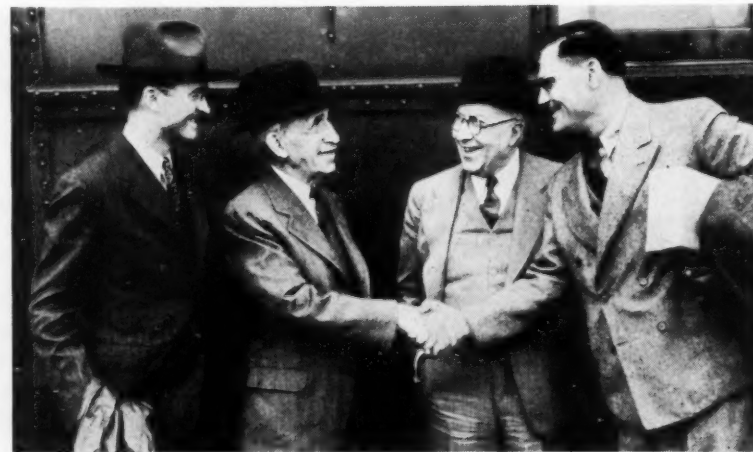
The order of Governor Lehman directing local defense councils throughout New York to begin an immediate survey of the fire protection facilities in their respective communities is in keeping with the request for such procedure made by federal authorities six months ago, which has already been complied with by New Jersey, Massachusetts and some other states.

While response has been immediate in industrial states, Nebraska has asked what procedure to follow. The state has some 90,000,000 bushels of grains in storage, the destruction of which, either through friendly or unfriendly fires, would be a loss to the country's food supply.

The Massachusetts advisory committee on fire defense has prepared a booklet urging a prompt survey of the different types of building construction, occupancies, and the most effective means with which they can be safeguarded against destructive fires. It also recommends listing gas, electrical, steam and petroleum production plants, and the type of equipment that could be relied upon to check the fire hazard in each.

3,000 Taking Institute Exams

Some 3,000 students are taking the annual examinations of the Insurance Institute of America, which began April 21 in New York and will continue for 10 days. The examinations cover the casualty, fire, life, inland and ocean marine, surety divisions, as well as fire insurance accounting and medical jurisprudence. In addition to the class students, more than 200 registrants who have been taking correspondence courses, are being examined.



More than 125 business, civic and insurance leaders attended an unusual birthday party in Fort Wayne, Ind., for G. J. Loos of the Loos Agency of Fort Wayne, this being one of the most important agencies in the state. The gathering purportedly was to honor "Jerry" Loos as the founder of Aboite Center Recreation & Choral Society and it was billed as a "political rally, barbecue, golden glove session and birthday celebration."

The guest of honor and banquet speaker was the venerable Edson S. Lott, chairman of United States Casualty, and the group in the accompanying picture was snapped at the railroad station upon Mr. Lott's arrival. It shows, left to right, L. Dale Green of the Loos agency, Mr. Lott, J. J. Meador, vice-president of United States Casualty, and G. J. Loos.

Master of ceremonies was Samuel D.

Jackson retiring attorney-general of Indiana. Among company men present were T. E. Barton, of Chicago, resident vice-president, and Russell Swan, Indiana field representative of U. S. Casualty; E. H. Forkel, assistant western manager, J. L. Redden, automobile manager, and H. W. Mullins, state agent National Fire; William Wallace, vice-president, and Lawrence Solmer, state agent Pacific National Fire, C. E. Mohr, state agent, and James West, of the marine department of Trinity Universal; A. H. Shiel, vice-president Union of Indiana; Harvey Failing, state agent Automobile; H. E. Schornstein, assistant Indiana manager New Amsterdam Casualty; E. L. Stephenson, Chicago manager Associated Aviation Underwriters; J. A. McAndless, president, and Cecil Cross, vice-president Lincoln National Life, and E. T. Bonham, general agent Pacific Mutual Life.

Councillors' Parleys at Oakland Cover Many Points

Far West Setup Is Recast with F. C. Colridge as Executive Secretary

OAKLAND, CAL.—As usual, George W. Carter, Detroit, conducted a lively and interesting session of the national councillors of the middle western states at the mid-year convention of the National Association of Insurance Agents. The group adopted a resolution praising the executive committee for its agreement with the Association of Casualty & Surety Executives under which countersigning of policies by salaried company employees would be outlawed. There was considerable discussion on the desirability of minimum countersignature commissions. All were in agreement that selection of the countersigning agent and arrangements with him should be left with the producing agent.

Mr. Carter showed the special fire and casualty forms required by the Defense Plants Corporation, a subsidiary of the Reconstruction Finance Corporation, on plants being built under defense loans. He said that many companies are not familiar with these forms yet and urged his audience to study them. They are very broad and in many respects are just what agents have been pulling for on general business, he said.

Developments Are Pending

Reporting on developments since the last session, Mr. Carter said that extension of the inherent explosion clause to include all damage from explosion of gas mains, in or out of the assured's premises, removal of the glass pro rata clause and elimination of the electrical exemption clause are in the offing, but have been postponed until the proposed new fire policy is studied by the New York legislature next year. Term privileges on mercantile stocks are under consideration. He said that steps have been taken so that agents will be notified of all future changes before any public announcement.

Unemployment Compensation Matter

The intricate subject of protection against depletion of unemployment compensation reserves because of employees being thrown out of work by a fire is being studied by the companies, Mr. Carter said, but it is still far from solved. Uniform use and occupancy work sheets will soon be put in force in W. U. A. territory by all companies and groups except the Western Factory Association. He also reported that the Western Underwriters Association hopes to resume its bulletins as soon as proper arrangements can be made.

EASTERN GROUP

The eastern group of national councillors went unanimously on record as disapproving proposals for an investigation of the operations of the National association and for the abolition of the office of national councillor. R. M. L. Carson, Glens Falls, N. Y., presided over this group and D. A. North, New Haven, spoke in defense of the councillors as now constituted.

The group went on record as favoring a uniform method of choosing councillors in the different states recognizing that the diversity of methods and of

tenure is one of the greatest obstacles to the councillors functioning with the greatest efficiency. It was hoped that the executive committee of the National association would recommend a uniform procedure to the different states, although it has no power to compel the adoption of any particular method.

SOUTHERN UNIT

E. S. Moore, Birmingham, Ala., presided over the southern councillors group. The report of the Southern Agents Conference at Atlanta March 5 was considered in detail. Plans were discussed to expand the activities of this southern group. Under its new plan, there will be one member of the committee from each of the nine southern states.

FAR WEST

The Pacific Coast group of national councillors, at a special meeting Tuesday, following their regular meeting Sunday, voted to change the constitution radically. F. C. Colridge, executive secretary California association, was made permanent executive secretary of the councillors group. He will issue a

monthly bulletin to the state councillors.

The office of president was abolished and there will be a chairman and vice-chairman instead, the offices being rotated among the different states. H. I. Callis, Santa Barbara, California councillor, who had been president, became chairman of the Pacific Coast group. W. H. Coble, Bend, Ore., was chosen vice-chairman, and H. H. Lipps, Lewiston, Idaho, secretary. Mr. Coble was also appointed chairman of a research committee to study ways in which this group can expand its activities.

Suggest Uniform Selection

Under the new setup, each state, if it wishes, can certify two members to the councillors group, whereas previously only the national councillor was eligible. The group will recommend a uniform method of choosing national councillors to each of the state associations.

James E. Guy, automobile superintendent in the west for America Fore, started back on the job Monday on a part time basis, after having been incapacitated for a month.

Read *Manufacturer & Insurance* by L. S. Meyers to increase your sales. Send \$3 for copy to National Underwriter.

Mo. Case Hearing in Chicago Friday

Roy McKittrick, attorney-general of Missouri, will renew his ouster suit inquiry of fire insurance officials at the Palmer House, Chicago, 10 a.m., Friday. Charles F. Thomas, manager of Western Underwriters Association, and E. A. Henne, vice-president America Fore and chairman Subscribers Actuarial Committee, will be among the first witnesses to appear.

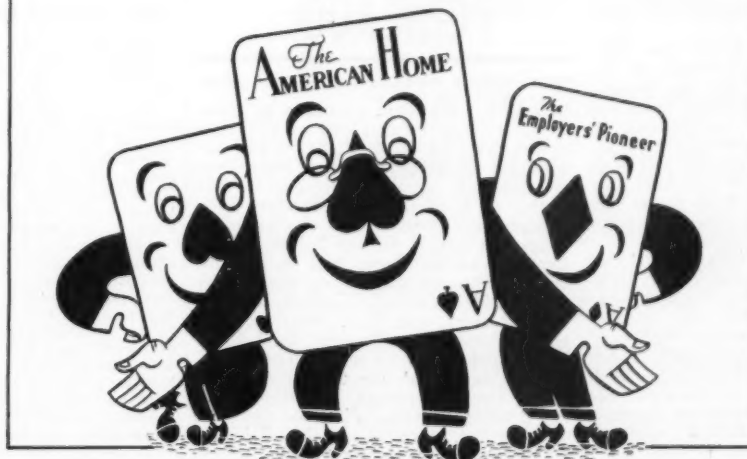
McKittrick, who is investigating conduct of company officials in the Missouri fire rate case, said he expects the hearings to run till May 10 or 12. He has with him three assistant attorneys-general. He is trying to establish also that companies are violating the state's anti-trust laws in operating the Missouri inspection and audit bureaus, as additional basis for his suit, now before the state supreme court.

Tamm N. Y. Suburban Special

John R. Tamm has been appointed special agent in the New York suburban territory for the automobile and marine departments of the Fire Association group.

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Three Bullets?



Getting more business is simply a matter of playing your cards right — if you have the right cards. So to fill your hand — we offer three, crisp, sales-producing Aces, (1) National advertising, reaching over 2,000,000 prospects each month, (2) direct mail material, with which you can cash in on our national campaign, and (3) The Employers' Pioneer, a monthly magazine that keeps over 10,000 agents posted on latest developments in insurance production. Shall we deal you in?

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Simply write to the Publicity Dept. and we'll send you the latest issue of The Pioneer, showing — in one quick glance — some of the many things we do to help Employers' Agents get business.

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LEGISLATION

Okla. Governor Back of Rate Control Act

OKLAHOMA CITY—Administration backing for house bill 490 in Oklahoma legislature, which seeks to bring about rate reductions on fire and casualty insurance by the state insurance board, was given by Governor Phillips. The measure would permit the board to promulgate rates for fire and casualty insurance, which all companies must use or show by five years' experience on any particular class of insurance that they are entitled to a different rate. It would also authorize the board to require a company to furnish data for promulgating rates.

The burden of proof would be placed on the companies rather than on the board in fixing rates. Under the present law companies file rates and the board must make investigation. The bill is in the house insurance committee.

Restrictions on Employee Savings Funds Opposed

BOSTON—Commissioner Harrington met with strong opposition to his bill before the legislative committee on insurance which would compel employers to have the written approval of the commissioner for establishing an employee savings fund, would compel the complete segregation of such funds from other funds of a company and would allow investment of such benefit funds only in such restricted securities as are allowed Massachusetts savings banks.

He explained that while there was no intent to criticize some companies, there were cases where he felt the funds were not properly invested and employees were not secure in their rights to benefits.

President W. R. Hedge of the Boston opposed the bill on behalf of the employees savings fund in the Boston and Old Colony home office. He objected to restricting the investments to the low producing securities of savings banks and said his companies had been able to do much better by their employees than could be done under the bill. He also objected to segregating the funds.

Leslie Hemry, American Mutual Liability, said his company originally contributed 40 percent to such a fund and the employees 60 percent; that the investment of the 60 percent had been restricted as proposed by the bill, but that the company had done better with the investment of its 40 percent. He had no objection to complete segregation of the fund and stated under the company's plan it would remain intact no matter what happened to the company.

Nebraska—J. L. Brown, representing foreign insurance companies, appeared in protest before the legislative committee considering the bill requiring foreign corporations to report lists of their resident stockholders to taxing authorities.

New York—Governor Lehman has signed a bill to provide that no written examination shall be required as prerequisite to issuance of baggage insurance agent's license to any travel agent.

Oklahoma—A bill introduced in the senate repeals the law that permits no person other than the insurance commissioner to ask for appointment of a receiver in Oklahoma.

Michigan—A bill has been introduced in the house which would prohibit inclusion of provisions for insurance in an automobile installment sales contract and would provide penalties for any automobile dealer or salesman who sought to coerce car-buyers into purchasing

coverage through the sales agency or from any designated insurance carrier or agent. It went to the judiciary committee of the house.

Wisconsin—Bills regulating town mutuals, recommended by the insurance department, have been signed by the acting governor. One bill requires town mutuals to file a schedule of rates and all changes with the commissioner at the time they are made or altered instead of Feb. 1 of each year. Another allows them to set the time in which insured must pay his pro rata share of losses sustained by members, in place of the present requirement of 30 days from the notification date.

Colorado—The legislature has adjourned. Governor Carr has signed a measure permitting the insurance commissioner, with the approval of the governor, and within the appropriation, to fix all salaries in his department. This will enable the department to pay salaries commensurate with those the same position would pay in business. Commissioner Kavanaugh said it was particularly needed in the examiners' department.

California—Assembly Bill 1398, bearing an emergency clause, relating to controlled general insurance and life insurance business and the rights of life agents working under a certificate of convenience, was signed by Governor Olson and became effective immediately.

The bill defines "personal or controlled business" as that of the agent or broker himself, his spouse, his employer's spouse, or any person related to him within the above scope to the second degree by blood or marriage, if his employer is a corporation any person owning a majority of voting stock, or if he is a corporation any person controlling the agent or broker. It provides that if premiums on controlled business are in excess of premiums on other business, receipt of commissions on the excess is a rebate.

CHICAGO

EXAMINERS OFFER DOUBLE SLATE

A two-ticket slate promises to make an interesting contest out of the election to be held on April 25 by the Association of Fire Insurance Examiners of Chicago at the Chicago Towers Club. A. H. F. Adland, Hartford Fire, nominee for president, is the only unopposed aspirant on the ballot. H. C. Brose, America Fire, and S. M. Albrecht, Phoenix Assurance, are up for vice-president; Charles LaBow, London & Lancashire, and E. J. Dowling, Fireman's Fund, for secretary; Paul Breuhau, Springfield F. & M., and O. E. Gray, Continental, for treasurer; H. C. Stiles, Great American, and Ken Longley, Pacific National Fire, for director; and Arthur Bessette, R. H. Erickson Co., and J. Rehling, Providence Washington, for the remaining directorship. Boxing and wrestling matches will follow the dinner and the election. Charles Carr of the Sanborn Map Co. will be the host of the evening.

BEACH ADDRESSES DISTAFF GROUP

The trend of current state legislation is toward more regulation of insurance, L. L. Beach, assistant general counsel Continental Casualty, told the Insurance Distaff Association meeting in the Chicago Board auditorium. In Illinois labor is seeking to increase benefits under compensation and occupational disease, and wants the making of rates placed with the insurance department. Mr. Beach detailed the legislative procedure through which a bill passes.

G. E. OWEN JOINS READ

George E. Owen, who has been connected with the Cook county brokerage department of Crum & Forster in Chicago for the past 14 years, has joined the newly established Rollin I. Read General Agency of Chicago. The head

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business April 21, 1941.

	Par	Div.	Bid	Asked
Aetna Cas.	10	4.50*	116	122
Aetna Fire	10	1.80*	51	53
Aetna Life	10	1.40*	26	27 1/2
Amer. Alliance ..	10	1.20*	20 1/2	22
Amer. Equitable ..	5	1.00	18 1/2	20
Amer. Home	10	...	5 1/2	6 1/2
Amer. (N. J.) ...	2.50	.60*	11 1/2	12 1/2
Amer. Surety ...	25	2.50	46	48
Automobile	10	1.40*	34	36
Balt. Amer.	2.50	.40*	6 1/2	7 1/2
Bankers & Ship. ..	25	5.00	93	97
Boston	100	21.00*	590	610
Camden Fire	5	1.00	28 1/2	30
Carolina	10	1.50*	27 1/2	29
Contl. Cas.	5	1.50*	37	38 1/2
Contl. N. Y.	2.50	2.00*	36 1/2	38
Fidelity-Phen. ...	2.50	2.00*	60	63
Fire Assn.	10	2.50*	8 1/2	9 1/2
Firemen's (N.J.) ..	5	.40	28	30
Franklin Fire. ...	5	1.40*	36	38
Gen. Reinsur. ...	5	2.00	22 1/2	24 1/2
Georgia Home. ...	10	1.20*	40	42
Glens Falls.	5	.50	8 1/2	9 1/2
Globe & Repub. ...	5	1.20*	24	26
Gt. Amer. Fire. ...	1	.20	10	11 1/2
Gt. Amer. Ind. ...	1	1.50**	23	24 1/2
Hartford	10	1.20	83	86
Home Fire Sec. ...	10	...	1 1/2	2 1/2
Home (N. Y.) ...	5	1.60*	29	31
Ins. Co. of N. A. ..	10	3.00*	70	73
Maryland Cas. ...	1	...	3	3 1/2
Mass. Bonding. ...	12.50	3.50	63	65
Mer. (N.Y.) Com. ..	5	2.00*	48	52
Natl. Cas.	10	1.00	24	26
Natl. Fire	10	2.00	56	58
Natl. Liberty ...	2	.40	7 1/2	8
Nat. Un. Fire. ...	20	5.00*	145	150
New Amst. Cas. ...	2	.85	17	18
New Hampshire ...	10	1.50*	43	45
Northern (N.Y.) ..	12.50	5.00*	94	98
North River.	2.50	1.00	23	25
Ohio Cas.	5	1.20*	36	38
Phoenix, Conn. ...	10	3.00*	83	86
Preferred Accl. ...	5	.80	14 1/2	15 1/2
Prov. Wash.	10	1.40*	33	35
St. Paul F. & M. ...	62.50	8.00	240	250
Security, Conn. ...	10	1.40	32 1/2	34
Sprgfd. F. & M. ...	25	4.75*	120	124
Standard Accl. ...	10	2.50	45 1/2	47
Travelers	100	16.00	390	410
U. S. Fire.	4	2.00	44	46
U. S. F. & G.	2	1.00	21	22

*Includes extra. **Canadian funds.

\$100,000 Fires for March, 1941, Listed by Regions

The following fires causing loss of \$100,000 or more in March are listed by the "New York Journal of Commerce":

East: Bridgeport, Conn., business block, \$165,000; Bridgeport, hotel and supply firm, \$100,000; Lawrence, Mass., recreation ballroom, \$200,000; Lowell, Mass., school, \$200,000; West Ossipee, N. H., furniture plant, \$100,000; Irvington, N. J., foundry, \$1,000,000; East Greenbush, N. Y., night club, \$150,000.

Also: Mount Kisco, N. Y., stores and offices, \$200,000; Sunnyside, L. I., nine stores, \$100,000; Emlenton, Pa., refinery, \$100,000; Laceyville, Pa., seven stores and apartments, \$100,000; Rohrerstown, Pa., three warehouses, two sheds, lumber and coal yard and five dwellings, \$250,000; St. Marys, Pa., railroad engine house, \$100,000; Chelvan, W. Va., business and apartment building, \$100,000.

South: New Orleans, La., warehouse containing whiskey, sugar, food, \$3,000,000; New Orleans, refinery, \$400,000; Conroe, Tex., office building, store, newspaper plant, law office, library, \$120,000.

West: Chicago, garage, loading platform and warehouse, \$500,000; Marion, Ill., nine business establishments and four offices, \$200,000; Milan, Ill., refinery, \$100,000; Logansport, Ind., library, \$100,000; Princeton, Ind., business building, \$120,000; Ames, Ia., college building, \$100,000.

Also: Mt. Clemens, Mich., furniture store, \$100,000; Sparta, Mich., department store, \$100,000; Moberly, Mo., carnival trucks and other property, \$100,000.

Coast: Bakersfield, Cal., refinery, \$100,000; San Bernardino, Cal., department store, \$175,000; Sweetgrass, Mont., hotel, store and theatre, \$100,000; Portland, Ore., Burnett Motors, 200 new cars, club building.

of that agency, Mr. Read, was formerly Chicago manager of Crum & Forster and hence, an old association continues. Mr. Owen graduated from the Northwestern University fire insurance course.

Get Non-Resident Agency & Brokerage Laws. \$1. National Underwriter.

CALLED TO SERVICE

J. E. Busiek, special agent of the W. L. Southgate general agency at Dallas, has been commissioned a first lieutenant and ordered to report at army headquarters in San Antonio for assignment.

Lieut. Fred V. Griffith, Jr., of the W. B. Johnson & Co. agency, Kansas City, which is owned and operated by his father, has entered the air service and is assistant provost marshal at Lowry Field, near Denver.

Maj John W. Ranson of the Johnson agency, now is commanding officer in the air base division, Brooks Field, San Antonio. Major Ranson was at Randolph Field in the last war.

Joe F. Gibson, assistant insurance commissioner of Oklahoma, has been appointed first lieutenant in the 49th field artillery. He has served as assistant to the commissioner nearly three years, and had previously practiced law for a short time as member of the firm of Cox & Gibson in Oklahoma City. He will report for service May 14 at Fort Sill, Okla.

F. M. Weaver, manager of the Green Bay, Wis., branch of Western Adjustment, captain in 5th Infantry, will report to Camp Custer, Mich., for training April 24. During his absence Manager C. J. Casper of Wausau will serve as manager pro tem at Green Bay and will in turn be succeeded at Wausau by Adjuster E. R. White. Adjuster Roy M. Balgord of Eau Claire is assisting Mr. White temporarily.

Donald Hayward, liability underwriter in the western department of Hartford Accident in Chicago, has now reported for duty with the navy. He has a rating of ensign and is stationed at Kansas City in connection with selective service work.

Western Adjustment men inducted include C. W. Bielefeld, Kalamazoo, Mich., captain in the army air corps at Chanute Field, Rantoul, Ill.; H. M. Dupont, Mansfield, O., private, quartermaster's regiment Camp Lee, Va.

From the Chicago office: John Robertson, 124th field artillery, Camp Forrest, Tenn.; Kenneth McDaniel, quartermaster's regiment, Fort Francis E. Warren, Wyo.; Keith Mackey, private, quartermaster's regiment, Camp Lee, Va. Also inducted were John D. Davis, Jackson, Mich., and Gene C. Jones, Chicago.

J. F. Prola, agency associate and business manager of the Benjamin agency, Springfield, Ill., was presented a military pen and pencil set at a dinner held by 15 special agents of the agency for Mr. Prola before he leaves for army duty. He will report shortly to Camp Crost, Spartansburg, S. C., as a captain.

Several special agents for National Surety have been inducted into military service. Among them are William Doyle, reserve officer, and John Howard, draftee, both San Francisco; Eugene Lilly, draftee, Detroit; James Buchanan, air corps volunteer, Memphis; Carl Schuler, air corps volunteer, Columbus; L. E. Fish, reserve officer, Louisville, and Tom Carmick, draftee, Buffalo. Two men from the Chicago office, Clifford Hinton and Howard Johnson, and three from the New York office, Albert Mahn, James Quinn and John Lamb, have volunteered for the National Guard.

Elected Continental Director

C. G. Edwards, president of Central Savings Bank of New York, has been elected a director of Continental. Mr. Edwards is a partner of Charles G. Edwards Co., and is connected with a number of financial institutions.

J. E. Bailey, general agent Connecticut Mutual Life, addressed the Nashville Association of Insurance Women on "The Retirement Value of Life Insurance as It Applies to Professional Women."

Agents at Mid-Year Get Abundant Values

(CONTINUED FROM PAGE 3)

While each speaker on the "Pattern for Production" had a different theme, all of them turned upon the better use of an agent's time and sales efforts. Roy A. Duffus, Rochester, N. Y., drew a particularly enthusiastic response with his practical points by which agents can increase their service, get more business and cement relations with customers.

The inspirational talk of F. H. Beckmann, business engineer of San Francisco, on salesmanship, was also well received. J. T. Breckon, New York, assistant director Business Development Office, discussed constructive selling. In the afternoon, H. H. Kirschner, San Francisco advertising man, talked on business letters, H. W. Semmelmeier, San Francisco public relations manager Pacific Board, spoke on analyzing profitable and unprofitable accounts, H. P. North, San Francisco, assistant director Business Development Office, talked on "A Day at the Office" and the model office display of W. B. Glassick, Hollywood, completed the program.

Augusta, Ga., Tulsa and Gulfport, Miss., are bidding for the 1942 midyear meeting.

The Sacramento Insurance Exchange presented the convention ensemble, a musical group which made a decided hit.

Four breakfast sessions opened the Tuesday business. D. A. North, New Haven, chairman membership committee, told his group that a nationwide drive would not be made this year, the plan being to concentrate on the few states now in the minus column. The principal concern of the committee now is to strengthen the association by bolstering local boards and solidifying existing membership. There was a discussion of the minimum standards program for local boards and of local board activities such as cooperative handling of public insurance and public relations campaigns.

E. W. Clarke, Oklahoma City, showed a circular his board has used with effect. It lists everybody in the city making his or her living from stock insurance and the amounts spent locally for various purposes by these persons. In the discussion, it was brought out that it is desirable to have these surveys made by independent analysts, to circumvent the unwillingness of agents to give confidential information to each other.

The rural agents group, under Alex Case, Marion, Kan., discussed the plans outlined in the report of the committee. H. J. Thielen, Sacramento, Cal., and W. J. Henry, San Francisco, Pacific Board, described the California plan for rating farm risks which has been very successful in combating mutual competition in this state.

Activities of the fire prevention and accident prevention committees were discussed at sessions presided over by C. W. Schoelzel, Denver, and A. B. Millard, Grand Rapids, Mich., respectively.

For the get-together dinner on Tuesday night, the convention moved to adjoining Berkeley. The Claremont hotel, in the foothills, with its impressive view of the Golden Gate in the distance, provided a beautiful setting, which was enhanced by the luck of perfect evening weather. As has been customary for several years, there was no

banquet "orator." Officers and members of the executive committee were introduced, with President Midyette acting as master of ceremonies. Mayor W. J. McCracken and City Manager J. F. Hassler brought greeting from the city of Oakland, President Henry Perk, Jr., Los Angeles, from the California Association of Insurance Agents, and K. G. White from the Oakland board. W. B. Calhoun, Milwaukee, past national president, responded.

At the banquet more than 1,300 jammed the hall to capacity. Three presidents of brokers associations were introduced. They were F. M. Hohwiesner, San Francisco, National Association of Insurance Brokers; R. O. Connolly, Insurance Brokers Exchange of San Francisco, and W. S. French, San Francisco, Society of Insurance Brokers.

On Wednesday morning registrations totaled 790 with officials hoping last year's record of 804 would be reached. Women's registrations were 246 ahead of the Wichita total of 206.

Features on Wednesday

At Wednesday's session President Payne H. Midyette of Tallahassee presided and gave the report of the administration following the singing of "America" led by W. B. Calhoun of Milwaukee, former national president. There was a forum discussion on agency licensing and countersignature laws. The discussants were G. W. Haerle of Portland, who was the leader, assisted by Wade Fetzer, Jr., of Chicago, and E. L. Heidel of Bozeman, Mont. George W. Scott, director of the educational division of the association, presented his address on developing an educational program.

In the afternoon Wednesday, S. F. Withe, manager publicity department Aetna Casualty, gave his address and was followed by a forum discussion, "American Agency System vs. Production Branch Office System." There was, first, a discussion of the advantages of the agency system, and next the relations of the production branch office system. The discussion leader was Fred A. Moreton of Salt Lake City, member of the national executive committee. Those participating were Roy M. Hibben of Omaha, L. P. McCord of Jacksonville, Fla., J. J. O'Toole, St. Louis, T. A. Sharp, Rochester, N. Y., and Irwin Wootton, Atlanta, Ga.

On Thursday there will be two forums, one on financed automobile insurance with L. W. Jones of Dodge City, Kan., president Kansas association, as the leader, assisted by F. G. Ensign of Boise, Idaho, and H. H. Hendren of Sacramento, Cal. The second forum will center on the new comprehensive liability policy with E. W. Robinson, Hartford Accident at San Francisco, the leader, assisted by G. C. Appleton of Fresno, Cal., R. W. Howe of Richmond, Va., and H. N. Mann of Tacoma.

Wayne C. Meek's Address

Wayne C. Meek of Seattle spoke Wednesday morning on "The Agent's Place in National Defense." He said it is very interesting to note the similarity between military education and training and a well trained agent. Military science is based on common sense

and sound reasoning. It develops a close analysis and the logical application of strategy to action. Military service must thoroughly develop courage, will power and leadership. It develops reasoning power because a large part of an officer's time in war as well as in peace is actually devoted to the teaching of those under him. It develops the understanding of human nature to an extraordinary degree and to an important extent forces one to think of others, of their welfare and of their safety. Military training, he said, is the very touchstone of leadership.

It is the duty of insurance, he said, to conserve what has been produced. In no place will one find an organization of better trained men to come with the problems of safeguarding American lives in industry than insurance people, he said.

Vehicles of the opportunity for an agent to serve are (1) prevention of accidents, (2) prevention of fires, (3) prevention of sabotage.

Survey U. & O. Contracts

Mr. Meek said all use and occupancy contracts should be carefully surveyed with due regard to present conditions and uncertainties. He said there is no conscription of industry in the plan of national defense or scheme of living, so

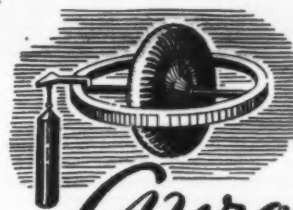
every delay, every interruption costs valuable time and money. In defending the country agents should not lose sight of their obligations to one another. Agents, he said, are generally leaders in civic activity. He cited the magnitude of opportunities available in the organization of civilian fire departments for combating incendiary bombs; in the engineering of traffic conditions to insure the safety of workers going to and from their jobs; in inaugurating fire preventive campaigns, in service on draft boards, in organizing vocational schools for the training of skilled workers.

Following W. C. Meeks address, Secretary W. H. Bennett offered a resolution pledging the nation its services in national defense.

Layton Describes Board Program

NEW YORK—"National Defense Through Fire Defense," the patriotic program to which the entire 75th anniversary activities of the National Board has been dedicated, was outlined in detail Wednesday to a group of editors and publishers of the metropolitan and insurance press by Col. Frank D. Layton, president of National Fire and of the National Board at a luncheon.

Read *Manufacturer & Insurance* by L. S. Meyers to increase your sales. Send \$3 for copy to National Underwriter.



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William T. Hunter, C.P.A.
Investment and Financial Counsel
Trust Company of Georgia Building
Atlanta, Georgia

Smith Is Reelected Organization Head at White Sulphur

(CONTINUED FROM PAGE 5)

and combined. It is recommended that instead of the three named and extended coverage, one by substituted, namely fire only and on that by endorsement be built such extended features as the assured may desire.

Felicitations to National Board

President Smith recommended the adoption of a resolution of felicitations to the National Board on its 75th anniversary. It was unanimously adopted, reciting the notable achievements of that organization and its usefulness to insurance and the public.

Memorials were read in tribute to two men who were not members of the organization, one for R. J. Folonie of Chicago, whose firm had acted as its counsel for many years. Mr. Folonie attended the meetings regularly and he handled personally many of the legal problems submitted. The other was in honor of E. T. Cairns, retired vice-president of Fireman's Fund, who frequently attended the meetings and was a loyal friend of the association.

Memorial to Hewett

The third memorial was in tribute to B. L. Hewett of Lansing, Mich., western manager of Boston and Old Colony.

There were elected to membership Vice-president L. C. Lewis, North America; W. H. Wolf, assistant western manager American, and Assistant Western Manager R. W. Carter of Aetna Fire.

The Subscribers Actuarial Committee meeting was presided over by E. A. Henne, America Fore, chairman.

Public Relations Report

Mr. Harding on Wednesday presented the public relations committee report summarizing it as follows:

"The first and most important duty upon us, in the face of all of the conditions herein indicated, is the problem of internal research and examination and that must be the basis of whatever we may expect to do with the institution of fire insurance for defense first and reconstruction after the war. If we do not utilize as facilities for greater service to the public and the government the privileges and rights of self government in our business which we now enjoy, on what claim can we resist the threat of governmental intervention in the conduct of our business? If as citizens in the spirit of patriotism and for defense of our country, we are making a virtue of the surrender of some of the privileges and freedoms which we have always held were secure to the person and, at the same time, in our associations cannot see the necessity for or the call to us for giving up some of the individualities as a contribution to the institution of fire insurance, let us not complain if the state intervenes to impose on our business those conditions which should have flowered from the rights we have had to govern ourselves.

Temporizing With Conditions

"Perhaps we are temporizing today with conditions within the business which, if existed by reason of executive order from a governmental agency, would be protested as unfair and intolerable. Public relations to be effective in its external activities must go forth from internal relationships which are wholesome and strong."

Weather in Its Best Form

During many meeting times the last few years the White Sulphur Springs weather was on its worst behavior, either rainy or bleak and cold. One year the golf courses were white with snow. This year the thermometer got near 90 degrees. The golfers were in high glee. The hotel grounds are most colorful with masses of forsythia in bloom, reinforced by other flowering shrubs and trees. The spring flower beds are ablaze with beauty and rich in fragrance from

the hyacinths. The surrounding hills are displaying much red bud and dogwood.

LOSS REPORT

John R. Cashel, western manager Providence Washington, chairman of the committee on cooperation on loss adjustment practices, in his report referred to the unprecedented windstorm Nov.



JOHN R. CASHEL

11, which struck the middle west, causing property loss of about \$7,500,000 and claims of between 125,000 and 150,000. Despite the handicap of snow and ice the adjustment machinery was equal to the task. The report stated that in case of emergency this machinery functions most efficiently.

Losses Reveal Upward Trend

Chairman Cashel said that the fire losses in 1940 showed an upward trend both in number and amount. Major losses were more varied than in former years, running from four losses to public schools and colleges, aggregating in excess of \$625,000 to six bad chain and retail store losses amounting to \$635,000, and six claims aggregating \$955,000 on metal workers of various types. One of these was an implement plant, the loss being \$500,000. The largest single loss of the year in the middle west was the new school of technology at Evanston, Ill., in course of construction by Northwestern University. The intense heat from the burning of forms, material and scaffolding had a destructive effect on the recently poured concrete. In many places the undersides of slabs fell away, exposing the reinforced steel. The loss was settled for \$608,000.

The number of automobile losses, Chairman Cashel said, last year far exceeded those of the previous year, the Western Adjustment reporting an increase of 24,046 claims. It is predicted that the upturn will continue, owing to the expansion in industry and increased employment. While losses from collision account for the largest percentage of the total, there is a very noticeable increase in fire losses in certain parts of the middle west, principally on cars of the older type and purchased second hand.

Automobile Collision Losses

The automobile committee of the Oklahoma Fire Underwriters Association has made an extensive study of the situation in collaboration with the Automobile Protective Association and the General Motors. Recommendation is made to adjusters and loss departments, enlarging the scope of investigation before final adjustment of this type of claim is completed.

The report said that the greatly in-

creased activity in industrial and utility plants has again brought about large piles of coal in storage, varying sizes running from a few hundred tons to those several hundred yards wide and close to a mile in length. Thus a potential fire hazard is created. The adjustment bureaus are having losses reported with increasing frequency. In the opinion of the committee the subject merits careful consideration, and it is recommended that inspectors and engineers from the companies and bureaus be instructed to give careful attention to it in their inspection of plants where increased piles of coal are being stored.

The report said that the subrogation department of the Western Adjustment proved again in 1940 the value of centralized management of subrogation cases. Recoveries obtained through this department amounted to approximately \$302,000, the largest being automobile, \$226,000 or 57½ percent of the amounts claimed. The report said if the experience of the past is repeated, the present furious pace of industry in carrying out the national defense program undoubtedly will be attended by some heavy losses, complicated by problems of building and machinery replacement, rising values and other difficult adjustment issues which may conceivably test the ability of the companies.

The governing committee recommended a study of survey business as that produced by non-policy writing agents. This investigation will be made, as there are no rules on the subject.

There was a brief session Wednesday. It was voted to hold the semi-annual meeting here the third Tuesday and Wednesday of September. A telegram from Manager W. E. Mallalieu of the National Board was read, reciprocating good wishes. It was announced that U. S. Manager F. W. Koeckert of Commercial Union was the only member present at this meeting who answered to roll call 25 years ago when the world was shaken by war.

The two insurance directors of the U. S. Chamber of Commerce are at the hotel—J. C. Harding, Chicago, and J. H. R. Timanus, Philadelphia, secretary Philadelphia Contributionship. The latter is attending the meetings of the American Mutual Alliance. The mutual men are here in force and will start their sessions Thursday.

Neb. Agents Card May 6-7 Completed

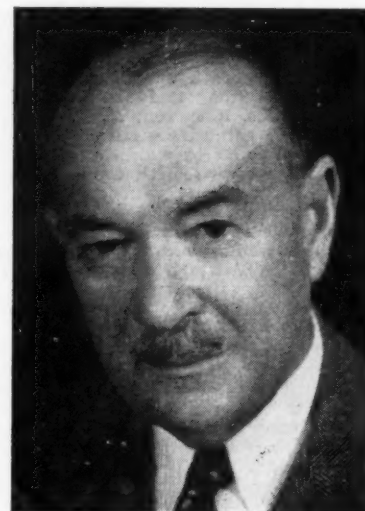
OMAHA—The program has been completed for the annual meeting of the Nebraska Association of Insurance Agents in Omaha, May 6-7. The executive committee will hold a dinner meeting the evening of May 5, and there will be a stag party for those on hand that evening given by National American Fire of Omaha.

At the opening session May 6, Henry Kosman, president Omaha Association of Insurance Agents, will give the welcoming talk. Joseph Barker, Jr., president, will give the report of the administration, and Thomas A. Bryan will report as secretary.

Earl R. Wilson will give the report of the legislative committee and greetings will be extended from the National Association of Insurance Agents by Fred A. Moreton, Salt Lake City, member of executive committee. Earl L. Ritner of North Platte, first vice-president, will give a report on the Oakland convention of the N. A. I. A. That afternoon there will be several talks of an educational and informative nature.

F. G. Packwood, manager at Kansas City for Massachusetts Bonding, will give a talk on "The Value of Accident and Health Insurance to Multiple Line Agents." L. C. Ayers, superintendent of mercantile fidelity department, U. S. F. & G., will speak on "Present Developments in the Surety Field." Then

Absence Felt



HARRY W. CHESLEY

WHITE SULPHUR SPRINGS—At the annual meeting of the Western Underwriters Association here this week the absence of Assistant Secretary H. W. Chesley of Chicago was felt by all in attendance. This is the first time Mr. Chesley had not responded to roll call at an annual or semi-annual meeting. His health has not been the best and his medical adviser urged him not to undertake the responsibilities that usually fall upon him at meetings. He intends to go on a vacation in the near future.

Along with his other duties Mr. Chesley arranges for the transportation of members from Chicago going on the well known "Chesley Special." In addition he arranges for hotel reservations and when he arrives at the hotel he is the pooh bah having to do with all adjustments as to rooms, getting the members and committeemen rounded up for meetings and being the general factotum so far as the physical activities are concerned.

W. E. Newcomb, new special representative of the W. U. A., attended his first meeting. He is at the Chicago executive headquarters having been until his connection with that body state agent of the Commercial Union group in the mountain field with headquarters at Denver.

Mr. Chesley has attended every meeting, annual and semi-annual, for 18 years, making 36 in all.

R. E. Glass, Omaha manager of Western Adjustment, will speak on "Insurance Values and Reconstruction Costs in Connection with the Defense Program." G. E. Hofmeister, vice-president Continental Casualty, will speak on the new comprehensive liability form.

There will be an insurance forum, the panel consisting of Messrs. Packwood, Ayers, Glass, Hofmeister, Arthur B. Dunbar and J. J. Greenberg.

Mr. Barker will be toastmaster at the banquet that evening. The next morning Mr. Dunbar will report as national councillor and there will be committee reports and election of officers.

REJECTED RISKS

For some strange reason, Americans have come to regard the letter O as being more high class than the letter E. Witness the tendency to convert the word adviser into advisor. We ran across an adjuster the other day who has elevated himself into the ranks of adjustor. Following through, might it not be a good idea for parents who desire to appear especially high class in the eyes of their young to refer to themselves as mothor and fathor.

McCormack Praises, Outside the Meeting Halls at Oakland Criticises Features of TNEC Report

TRENTON, TENN.—Insisting that the report of the TNEC "should have our careful attention," Commissioner McCormack, addressing the Gibson County Insurance Exchange here, expressed the opinion that some of the proposals, if carried out, "can be of great benefit to American industry as well as to the business of insurance."

He referred particularly to the recommendations for increases in personnel of insurance departments, full-time qualified employees, discontinuance of employment of special outside examiners and requiring companies to pay the salaries of examiners. "There is much good in these recommendations," he said, "yet on the other hand, I would not criticize the present zone convention form of examination as long as the examiners assigned are competent."

Urges Better Understanding

He declared that there should be a better understanding between the insurance executives and their representatives in Congress and in the executive branch of the government. "Personally, I feel that some of the insurance executives have lacked the confidence in our elected officials that they should hold in order to obtain a better understanding between government and business," he said.

There are some items in the report which he considers foreign to the supervising end of the insurance business, for example, the suggestion that "state supervisory officials should give more attention to such matters as company training courses, sales contests, compensation arrangements, etc."

"I do not see where the Tennessee department is interested in such matters as company training courses, sales contest and compensation between agents and companies, as long as such sales contests and compensation are not a burden reflected in excessive rates charged the policyholders," he commented.

"I also see very little merit in the recommendation that the number of policy forms should be reduced, nor am I in favor of establishing a standardized policy form, although I do believe that minimum policy provisions, acceptable in all states, should be standardized and this is being accomplished by cooperation among the various commissioners in the semi-annual meetings of the National Association of Insurance Commissioners."

He disagrees with "any veiled reference to any form of federal interference in insurance supervision. It is up to the directors and executives of each of our great insurance companies to mold the future of insurance within the limits of private enterprise and under control of state supervision," he concludes.

W. Va. Agents, Field Men Arrange for Annual Parleys

The annual meeting of the West Virginia Association of Insurance Agents has now been set for July 7-8 at White Sulphur Springs. The West Virginia Fire Underwriters Association will hold its convention at the same place July 8-9.

R. C. Walker, Indiana state agent of the Royal Liverpool group, has returned home from the hospital after having undergone an appendectomy and expects to return to work within a short time.

WANTED

Assistant farm underwriter and sub-agency man by farm department of stock company in Chicago. Send full particulars including draft status. Address N-25, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

California weather performed in great style at the opening of the convention of the National Association of Insurance agents at Oakland and for the days preceding the opening. The boat ride around San Francisco bay Sunday sponsored by Fireman's Fund was a great success, the only concern of officials being that the number of registrants was in excess of that permitted by law on the craft. This was finally resolved by the withdrawal of a number of local people, and the weather responded in great style.

Headquarters opened in large numbers and early in point of time. By Monday evening all were going in full blast. The Hotel Oakland was able to swallow most of the headquarters and the convention crowd, though some stragglers were at other Oakland hotels and a few at San Francisco.

* * *

Roy A. Duffus of Rochester, N. Y., who attended the mid-year meeting of the National Association of Insurance Agents at Oakland, Cal., this week sent out to more than 100 friends a postcard scene of Alcatraz federal prison on a rock in San Francisco Bay, showing the grim formidable fortress. He prepared ahead of time stickers with the names and addresses of the people to whom he sent a card with a rubber stamp saying, "I am having a wonderful time. Wish you were here."

Louis H. Pohle, Stockton, Cal., was the first agent to register for the mid-year meeting. He has a record of being the first to sign up at California association meetings for years.

How fire and casualty companies and agents are aiding in the national defense program was explained to a radio audience of California Saturday night, by Payne H. Midyette, president of the National Association of Insurance Agents. The broadcast was over station KSFO

of the Columbia Broadcasting System, San Francisco.

Firemen's opened large and popular headquarters under A. A. Milhaupt and R. W. Wabey, secretaries, and L. R. Ogren and F. J. Hagen, assistant secretaries, from San Francisco.

E. S. Inglis, New York, vice-president Corroon & Reynolds, presided over his companies' headquarters, assisted by J. P. Breeden, Pacific Coast manager.

W. Owen Wilson, Richmond, Va., past president of the National association, missed his first convention in many years, due to the press of personal business. His office, however, was well represented by R. W. Howe, who is chairman of the important committee on graded company expenses and commissions.

Another absentee for the first time in many years was Walter Meiss, executive general agent London Assurance, who stayed away to celebrate his 20th wedding anniversary at home. Ralph Bugli, advertising manager, New York, published his popular daily sheet describing the convention, assisted by J. C. Hitt, San Francisco, Pacific Coast assistant manager, and C. G. Landress, Pacific Coast automobile manager.

One veteran conventioner who did not disappoint his following was Spencer Welton, Chicago, vice-president Massachusetts Bonding.

U. S. F. & G. was represented by J. Dillard Hall, Baltimore, assistant agency director; Edwin C. Porter, resident vice-president at San Francisco, and H. C. Gillespie, Los Angeles manager.

Fifteen crates of Washington apples arrived to be distributed to the conventioners as the gift of the King County Insurance Association of Seattle.

S. T. Shotwell, newly appointed Pacific Coast manager of North British, maintained the usual large headquarters for this group. W. J. Traynor, advertising manager at the U. S. head office at New York, was on hand.

The Oakland hotel was unexpectedly quiet on Monday night, much to the sur-

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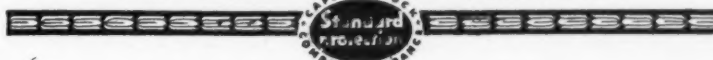
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guage of the purpose
and operation of this
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Philadelphia, Pennsylvania

OLD LINE STOCK FIRE, MARINE
AND AUTOMOBILE INSURANCE

praise of the headquarters greeters. Apparently most of the conventioners seized the opportunity for a visit to San Francisco. After the dinner on Tuesday night, however, there was almost unanimous adjournment to the different spots provided by the companies.

Phoenix of London headquarters were staffed by C. A. Craft, manager, and Munro English, assistant manager, of the Pacific Coast department.

Past presidents who were present were A. I. Wolff, Chicago, W. B. Calhoun, Milwaukee, W. H. Menn, Los Angeles, Frank Bell, Charleston, W. Va., and Sidney O. Smith, Gainesville, Ga., present chairman of the executive committee.

F. M. Avery, who retired several years ago as Pacific Coast manager of Fire Association, enjoyed himself renewing old acquaintances at the convention.

America Fore group followed the precedent it set at the annual meeting at Buffalo last fall by entertaining with a cocktail party at the Hotel Claremont in Berkeley preceding the get-together dinner Tuesday night.

National Board Commends London Fire Services

The National Board has presented Lord Halifax, British ambassador to the United States, a scroll to be transmitted to the officer commanding the London fire services, commending the London firemen for their conduct in the war.

In presenting the scroll, W. E. Mallalieu, manager of the board, said he felt that at this time, in connection with the extensive national fire defense campaign it was appropriate that the board express its admiration for the British fire fighting services in some tangible form.

Lord Halifax, as he accepted the token, thanked the National Board for the generous terms in which they spoke of the London firemen. Agreeing that they are worthy of the praise and reiterating his confidence that they would continue to be equal to their task, the ambassador added, "This tangible evidence of the support of their friends in the United States will greatly hearten them for their work."

Harris Resident Vice-president

A. H. Harris, district manager Mutual Benefit Health & Accident and United Benefit Life at Springfield, Ill., has been appointed resident vice-president and general manager of the central Illinois division. A. L. Aldrich, Bloomington manager, has been named assistant general manager and general claim auditor in the Springfield office.

Minneapolis Women's Activities

At a dinner meeting of the Minneapolis Insurance Women's Club, Miss Alfild Sterner, president, and Miss Marcella Beise were chosen delegates to the national meeting in Nashville. More than 20 Minneapolis women were guests at a meeting last week of the St. Cloud Insurance Women's Club. Edgar Barton, U. S. F. & G., talked on truck insurance. On May 15 the St. Cloud club will put on the program for the Central Minnesota Agents Regional Association at St. Cloud.

Georgia Deputy Takes New Post

ATLANTA—A. R. Wright, formerly deputy insurance commissioner of Georgia, has resigned to become superintendent of agencies of Georgia Fire Insurance Service, Inc., with offices at 22 Marietta Street building.

C. A. Bradshaw, executive vice-president of the Flat Top agency, Bluefield, W. Va., was honored by his associates at a surprise party on completion of 40 years with the agency. Mr. Bradshaw was presented a gold medal and a book in which the directors of the agency recorded their appreciation of his services. On the following day Mr. Bradshaw's office was banked with flowers sent by friends and he received many telegrams and personal calls adding congratulations and best wishes.

Caught on the Fly at the Greenbrier Hotel

Clarke Munn, manager Cook County Loss Adjustment Bureau, found himself in solitary confinement in his bathroom at the Western Underwriters Association meeting at White Sulphur Springs. The International Rotary convention was in progress at the Greenbrier Hotel, the members leaving Saturday evening. The W.U.A.'s Chicago contingent arriving Saturday morning had to accept small rooms. Mr. Munn drew one of these cubicles. The bell boy informed him there was a connecting bathroom but he agreed to lock it on the other side. Mr. Munn then arranged for a shave and bath. When he was ready to go out he discovered his door as well as the other was locked. He endeavored to attract attention but without avail. He then resigned himself to his fate in his primeval state. After some 40 minutes, a passing porter heard his outcries and rescued him from captivity.

R. A. Parker, acting manager Chicago Board, attended his first W.U.A. meeting.

The officials and governing committee members arrived Friday morning, holding an all day session, meeting again Saturday.

One of the long time customs of the Greenbrier Hotel is to have coffee served to those arriving on the early morning trains.

D. M. Maggin, New York insurance man who recently sold his interest in the Excess, and Mrs. Maggin are sojourning at the Greenbrier.

The attendance this year was less than usual, some leading companies not being represented.

Gustav Remak, who recently retired as president of the State of Pennsylvania, attended for that company.

Much interest was evinced in the professional tennis tournament led by Harold Budge, Bruce Barnes and Fred Perry.

Clyde Estabrook, well known local agent at Rhinelander, Wis., was sojourning at the Greenbrier.

Manager Roy Sillery and Assistant Manager R. R. Lippincott of the Western Adjustment, regular attendants, were absent. Harold Greenberg and Homer Burlingame scored golf victories instead.

Superintendent of Agents T. J. Butler of Travelers Fire in charge of the Central West attended his second W. U. A. meeting.

Walter Wolf, assistant western manager of the American, was initiated into the mysteries at this meeting.

W. H. P. Bush, secretary American, accompanied Vice-president L. E. Falls from the home office.

The American Mutual Alliance conferences start at the Greenbrier Thursday but a goodly contingent was on hand Wednesday to try out their golf clubs. J. J. Fitzgerald, Grain Dealers National Mutual, arrived Monday and J. W. Huntington, state agent Mill Mutuals at Columbus, O., also registered that day, he being an equestrian and following some of the notable trails in this section.

J. J. Hubbell, head of the Chicago department of Security of New Haven, joined President P. J. Berry at the meeting.

Fred A. Rye of New York City, manager Improved Risk Mutuals and former western manager Commercial Union, is on hand attending the conferences of mutual companies.

Atwood L. Jenkins of Jenkins Bros., Richmond, Ind., on his return from a Florida vacation entered the Reed Memorial Hospital in Richmond for an operation. He is reported to be making a good recovery. Mr. Jenkins is national councillor of the Indiana Association of Insurance Agents and has taken an active part in association matters for many years.

R. W. Swanson, state agent for America Fore at Fargo, N. D., will be married May 23 to Miss Janice Lindberg of Fargo.

Manufacture of Millinery Made Safer by Cooperation of Insurance and Industry

A good example of the creative relationship between insurance and industry is contained in a recent development of a new lacquer, sizing and thinner for use in the manufacture of hats and fabrics in millinery shops.

This line has been hazardous, and from time to time, companies were unable to get insurance. One large concern, having such difficulties, got together with engineers of the National Inspection Company to learn what could be done.

A manufacturer of lacquer and solvent used in applying it was approached. For a long period the hat and size manufacturer experimented, working toward a safety objective as outlined by M. E. Bulske and others in National Inspection.

Reduce Rating Factor

The result was a new solvent and new lacquer size which reduced the rating factor from around 100 to 30-40, or down to the same low hazard as kerosene or Stoddard solvent, now safely used in cleaning plants, etc. Use of these new products is spreading in the industry.

The formula must be varied to accommodate certain materials but this can easily be done and progressive hat manufacturers are anxious to take employ of the new material.

In sizing certain types of hats and fabrics glue is also used, but in most cases pyroxylin lacquer predominates, and in some seasons forms 90 percent of the sizing employed. Glue is not hazardous, but pyroxylin lacquer can be a serious hazard. It is similar to celluloid, is applied either by spraying or dipping, which leaves residues.

Solvents used with such lacquers have been generally of a low flash point so that there is also the hazard of flammable vapors. Straw and fabric materials used are combustible, and the shops frequently operate in crowded conditions.

Development of the new sizing and solvent will do much to improve the fire hazard in this industry, and should eventually result in insurance savings.

Safford Speaks to Credit Men

Theodore Safford, prominent Cincinnati local agent, will address the Cincinnati Association of Credit Men April 28 on "Compulsory Automobile Insurance."

W. A. Earls, Earls-Blain Co., Cincinnati, chairman of the Insurance Advisory Council of the Cincinnati Association of Credit Men, has been nominated for a director of the association.

Question Retaliatory Tax Basis

ST. PAUL—The question -- to how retaliatory insurance taxes should be applied in Minnesota has been raised by a foreign company which contends that all taxes, licenses and fees should be considered together, rather than separately, as has been the practice of the Minnesota department. The attorney-general's office has held that this latter method is proper.

E. R. Timberg, state agent of St. Paul Fire & Marine in Detroit, Mich., and Miss Agnes Gringle, also of Detroit, were married at Toledo. Mr. Timberg has been in Detroit for St. Paul 16 years.

P. A. Codere, chief agent of St. Paul Fire & Marine in Canada, and Mrs. Myra Harris of Winnipeg were married at Winnipeg. Mr. Codere is a brother of President C. F. Codere.

The insurance fraternity joins in extending sympathy to Raymond D. Parker, president of Parker-Allston Associates, Inc., on the death of his father this week.

New York Underwriters First and Last Tenant

When the New York City office of New York Underwriters moves into its new location with the Wright agency at 85 Maiden Lane, it will be the last tenant to leave the 100 William street building. This is interesting in that New York Underwriters was the first tenant—to move into the building when it was opened in 1896. The company then was the principal tenant and took the entire ninth floor which was built to its specifications.

At that time the insurance fraternity in New York City thought Alexander Stoddard was foolish to move into the new location for it was then out of the principal insurance district. But his foresight was better than they anticipated for today it is in the geographical center of the present insurance district.

First Quarter Fire Losses Equal Cost of 336 Bombers

The National Board estimates fire losses in the United States for March at \$31,471,000, an increase of 21 percent over the losses for February, 1941 and an increase of 6 percent over March 1940. The estimated March losses brought the total for the first quarter of 1941 to \$84,043,000, an amount to equal the delivered price of 336 of the new long range bombers which are being built for the United States army, according to W. E. Mallalieu, director of activities of the board.

Mr. Mallalieu feels that this comparison between the value of property destroyed by fire and the quantity of defense material such a sum would buy forcibly illustrates the necessity of reducing the national fire waste in this time of emergency. Fires in defense industries can seriously interfere with defense preparations and it is the duty of every citizen to try to prevent fires, Mr. Mallalieu said. The National Board is devoting its 75th year to impressing upon the American people that national defense can be greatly strengthened by a more effective fire defense.

Oscar C. Meyer, head of the Meyer agency of Sheboygan, Wis., has been appointed a member of the board of local improvements. Mr. Meyer previously has served as alderman in Sheboygan for eight years.

Recall Parallel Careers of the Erskine Brothers

Kenneth H. Erskine, Boston manager of Liverpool & London & Globe, guest speaker at a recent meeting of the Worcester (Mass.) Board, is a brother of J. D. Erskine, secretary of the Insurance Executives Association. Upon graduation from college, K. H. Erskine, from Syracuse, and J. D., from Hamilton, each joined the inspection staff of the Underwriters Association of New York state. The late Ralph G. Potter, then secretary, was responsible for the initial training of many men who attained eminence in the business. The Erskine brothers later became special agents for Northern Assurance. Kenneth first traveled Maine, New Hampshire and Vermont, subsequently Connecticut and later Massachusetts and Rhode Island. In 1924 he assumed his present position.

J. D. Erskine, after making a success as special agent for Northern in New York, was called to its United States headquarters in 1921 as eastern general agent. Shortly after the formation of the Eastern Underwriters Association he was named its assistant manager. In 1932 he was drafted by the Insurance Executives Association to become secretary. The Erskine brothers have been and are deeply interested in the welfare of the business and have contributed much to it.

New England Committee Offers Educational Plan

A permanent system of extension courses is needed to satisfy insurance education requirements, according to the second report of the committee on education of the New England advisory board. The report is an exhaustive review, not only of present educational facilities, but also of conditions in the insurance field which call for educational remedies, and does not hesitate to call a spade a spade.

The report is signed by C. I. Fisher, Providence, R. I., chairman; H. R. Preston, Springfield, Mass.; H. L. Bailey, Jr., Groton, Conn.; A. C. Mason, Rutland, Vt.; F. F. Bartlett, Waterville, Me., and K. R. Kendall, Rochester, N. H. The study was made to assist the agents' associations of the six New England states and it has been submitted to these associations, the National Association of Insurance Agents, insurance commissioners of the New England states and other interested parties.

Schools Before Laws

The report says that the present situation of too many companies, which in turn appoint too many agents, many of whom are unqualified, is a vicious circle caused largely by circumstances beyond the control of everybody. All attempts to solve the problem of indiscriminate agency appointments through conference and cooperation having failed, the committee believes that the only solution is through agents' qualification laws. However, there is at present no provision for adequate training of agents and prospective agents, so the associations should not sponsor more rigid qualification laws until there are conveniently located schools with high standards in which the business of insurance may be learned.

Regarding the objectives of an agency school, the report says: "Everyone engaged in the insurance agency business should know the fundamental principles of insurance; the risks to which the public is subject; the methods of insuring these risks; how to recognize and prescribe coverage for those risks; where to find or obtain detailed information on such coverage, it being impossible to learn or memorize every detail of the fast changing business; how to properly service the business after it is obtained; and the principles of sound agency management." An elementary course of instruction, the report concludes, must not be less than 100 to 150 hours duration and this would be only a "rock bottom minimum standard." Part-time agents, while a necessity in many locations, should be held to the same standards of knowledge and service as those giving their full time to the business, just as a lawyer or accountant intending to practice only part of the time is required to undergo the same schooling and pass the same examinations as anyone else in his profession.

Present Facilities Inadequate

The report reviews the existing educational facilities of the insurance business and finds them wanting. There are not enough insurance courses in colleges to do much good and the existing ones are available only to a few persons. The Insurance Institute courses are available only in larger cities and in many cases they emphasize subjects needed by company underwriters instead of agents, and the Insurance Institute program has suffered from lack of promotion. Independent correspondence courses suffer from the human tendency of procrastination, company correspondence courses, furnished free to agents, are seldom appreciated and are used as vehicles to promote a company and its particular ideas, rather than general insurance education. Home office schools can serve only a relative few because of the time required, and they also are tinged with company propaganda and in many cases emphasize life insurance un-

duly. Regional company meetings are called "fine as far as they go," but far short of the necessary minimum standards, while trade papers, educational material of companies and independent bulletin services are uncoordinated and there are so many that they confuse agents.

The New England report calls the short course school "valuable as a start in working up interest where there has been no interest before," but says it "does not solve the problem in a permanent way." These schools cannot reach a large number of prospective students who would attend classes nearer their homes, there is usually no balanced program, some subjects being repeated, some omitted, the choice of subjects sometimes being determined by the teachers available. At best, it would take years for a single short course school to cover the ground necessary to meet minimum standards. Agents' associations cannot hope for rigid qualification laws if the period of necessary study extends over a number of years.

Extension Courses Needed

The conclusion of the committee is that the answer to the insurance educational problem is the extension course, but upon a much wider and more permanent scale than now practiced in any part of the country. Education must be open to a majority of those in the agency business, including clerical and selling employees who must work steadily and study in their spare time. Courses must be given conveniently so that they can be attended by persons unable to travel great distances and who cannot be away for long periods. Schedules must be followed to avoid the drawbacks

of correspondence courses, curriculums must be especially designed for agency instruction and the educational program must be continuous. There must always be an opportunity for those not in the insurance business but sincerely desiring to study to get into it.

For an elementary course up from 100 to 150 hours, the committee recommends division into several sections such as general principles of insurance, fire and allied lines, inland marine, with a smattering of ocean marine, casualty insurance including aviation, suretyship and agency management. There should be a standard curriculum and there are some available outlines which may be used as a basis, such as the syllabus of the Insurance Institute, the New York agents' qualification course and the extension course of the University of Newark.

Needs Permanent Organization

The report points out that a permanent organization is needed in each state and recommends, wherever possible, tying up with the state university. Officers and committees of state associations change periodically and extension work unlike a short course school, requires continuous attention. State universities are willing to cooperate and, if the situation is properly explained, will usually assign a faculty member to work permanently with the association, giving him credit for this work. The person taking charge of the program need not be an expert on insurance, but primarily a good organizer and administrator who will work with committees of expert insurance men. If arrangements cannot be made with the state university, a tie-up may be effected with a private school, but in such a case the faculty member would probably have to be paid partially by the state association and the fees charged for the courses would likely be higher than those charged by a public institution.

(CONTINUED ON PAGE 33)



NATIONAL UNION

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AS
A
GOOD AGENCY
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EDITORIAL COMMENT

Intelligent Reading of Trade Papers

ARE THE insurance trade papers compelled to follow an entirely different path than the daily newspapers so far as selection of news and features is concerned? Subscription departments of insurance periodicals meet with strange excuses for discontinuing.

There are perhaps some papers and magazines that now and then discover cover-to-cover readers. "Time" and "Readers Digest" might be mentioned as having more such than any others. As a matter of fact, insurance journal readers, for the most part, are discriminating readers. They peruse those articles in which they are interested and from which they expect to extract help. An insurance newspaper successfully conducted must be all things to all men. That is, it must provide that which will appeal to its various classes of readers—company officials of different positions, field men, claim men, insurance buyers connected with large enterprises, local agents, association officials, etc.

The late James Keely, for many years head of the Chicago "Tribune," one of the most resourceful and far-seeing daily newspapermen of his generation, remarked that he attempted to make that publication so diversified in its columns that no one need to seek another paper. It should be all satisfying, in his opinion.

We, who are in the insurance publishing business, and especially if we are getting out an insurance newspaper are confronted with much the same demand, in that in purely news, features of various kinds, we should bring out a finished product in which every reader will find something of particular interest to him.

In later years, there has been a far keener desire for educational and sales material. Consequently THE NATIONAL UNDERWRITER prints far more articles of that type than it did even 10 years ago. Any producer, if he be so minded, can find something of absorbing practical appeal to him in every issue that will pay more than his year's subscription in dollars and cents. In other words, it shows him how to get business by being

better equipped. He naturally must be a student of his business and must realize the importance of being a master in his craft.

What a wealth of material there has been in the last few issues along statistical and financial lines for those who delve into yearly returns!

Every growing insurance man desires to be well informed as to the news of his trade because much of it is of real value to him in his work. It not only whets his curiosity but it gives him a broader conception of his own occupation.

Insurance is a particularly personal business because companies are interested in the same agency, the same risk, the same loss. Then think of the numerous insurance organizations, conferences, social events, conventions—all bringing those in the business together so that they become well acquainted. Hence, insurance folk appreciate reading about those in the guild that they know personally or by reputation because the business in a sense is really a huge family.

The insurance publication has coming to its doors constantly a large amount of grist of all kinds, a heterogeneous mass of material concerning the business. It is the province of the editors to study all this, digest it, summarize it, and select those features of real, vital interest. They play up what they consider the important. Think of the time and effort given by the editors in gathering and selecting valuable features for their readers. What appears every week, for example, in THE NATIONAL UNDERWRITER represents a condensation and selection of the material that comes in to a third or fourth of the original amount.

We are constrained to offer these observations because of three subscription discontinuances received in a recent day. One agent wanted a paper that did not give much space to the appointment of field men. A second claimed we featured deaths of insurance people. A third desired more purely local news and far less personals.

Lin Yutang's Wholesome View

LIN YUTANG, Chinese savant, writer and philosopher, has written a number of books that have impressed their readers. He has a fine picture of life and its various associations. In his recent book, "With Love and Irony," he makes this statement: "True progress of civilization must be measured by the availabil-

ity of increased knowledge and its benefit to the common man."

He naturally was speaking of general knowledge and culture and did not have in mind business with its various ramifications. However, this same sentiment can be well used in the realm of insurance. Perhaps in some respects in-

surance thinking has been reactionary. However, in recent years it has been much more progressive. We need people who can think through and have something of the vision of the prophet. There are rapid changes these days. Insurance has become far more complex

than it was even 15 years ago. There are problems of great moment at hand. In the solution of all these questions insurance should keep in mind the well being of the common man. After all that should be the object of business, viz., to meet the needs of the people.

Helpful in Defense Problems

INSURANCE organizations that have to do largely with fire prevention, the protection of large properties, the fire defense of municipalities, with inspection work, are lending a very valuable hand to the federal government in its herculean defense program. These associations are peculiarly fitted for the task. All they need to do is to shift their gears.

The National Fire Protection Association has arranged its annual meeting program to embrace chiefly questions relating to defense work. Out of the conferences will come material of a most valuable nature. Insurance has not been slow to offer its machinery and facilities to the government in the present emergency.

PERSONAL SIDE OF THE BUSINESS

Owen M. Murray of Dallas, chairman of Paramount Fire, was in Chicago last week. He and W. E. Harrington of Atlanta, a director of Paramount, had planned to represent that company at the mid-year meeting in Oakland of the National Association of Insurance Agents, of which Mr. Harrington is a former president, but due to press of other business, neither was able to make the trip.

R. J. Crocker, secretary of the Schlesinger-Heller agency, Newark, received a newspaper award as exhibitor of the most popular painting at the exhibition of the Art Centres of the Oranges. He was awarded a wrist-watch. The winning painting, a water-color, was entitled "January Thaw." Mr. Crocker has been in insurance work in Newark 27 years and has been studying art since he was a small boy.

L. C. Thoelecke, manager of the metropolitan department of Norwich Union, Chicago, was confined to his home last week with a painful case of mumps. His friends remembered him with a variety of inappropriate gifts, including all-day suckers and jawbreakers.

Miss Alice Whitfield has completed 25 years' service in the Minnesota insurance department and retired on pension. She was honored by department employees at a dinner in St. Paul, and was presented a watch. Miss Whitfield had served under nine Minnesota commissioners.

Don Eastman, who is connected with the claim department of Western Finance Underwriters of Kankakee, Ill., was married the other day to Miss Helen Erickson of Viborg, S. D., at the bride's home. Mr. Eastman graduated from St. Olaf College in 1939, and has been with Western Finance Underwriters since that time. His father, O. J. Eastman, is secretary of Northwestern Fire & Marine at Minneapolis.

Arthur W. Hollis, senior member of Hollis, Perrin & Kirkpatrick, Boston general agents, who has the unique record of never having missed an open session of the Massachusetts senate in his 12 years of service, is about to break that record, having been advised by his physician to take a vacation trip for his

health. As a going away present his fellow senators presented him a traveling bag.

Miss Berneeda Faulk of Dulany, Johnston & Priest, treasurer of the National Association of Insurance Women and first president of the Wichita group, flew to Kansas City for the installation of the new women's association there. On the return trip visibility was zero when the Wichita airport was reached and after cruising around for some time hoping for a break in the clouds, the ship returned to Kansas City where Miss Faulk was forced to await a train that brought her to Wichita the next noon.

J. F. Holland, who was chief deputy superintendent in Missouri under Superintendent Thompson, has been appointed city counselor of St. Louis. He apparently had the inside track for appointment to succeed Superintendent Lucas when the latter's term of office expires July 1, but his decision to take the St. Louis post throws the race for this important state job wide open.

L. W. Kelsey, special agent in eastern Massachusetts and Rhode Island for Hanover Fire, with headquarters at Boston, is in the Attleboro, Mass., hospital suffering injuries sustained in an automobile accident. Though badly hurt, latest accounts of his condition are encouraging. He has been with Hanover six years.

C. I. Buxton, chairman of the Minnesota Implement Mutual Fire, Owatonna, Minn., and Mrs. Buxton celebrated their golden wedding anniversary the past week with a dinner followed by a reception in his office.

A. L. Richardson of the Robert Lecky, Jr. agency of Richmond, veteran secretary-treasurer of the Richmond local board, has been at the Medical College of Virginia hospital for several weeks under observation and treatment. He hopes to be back on the job soon.

H. B. Chrissinger, manager National Inspection Co., Chicago, has returned from a five weeks' vacation in Florida.

Ralph G. Hinkley, Boston manager of American, will address the Lions Club in Taunton, Mass., April 29 on "The Ex-



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tra Coverage on Your Fire Insurance Policy."

DEATHS

H. Walter Lee, 65, general manager of Coal Merchants Mutual and president of the Lee & Staats agency, Albany, N. Y., died there. Mr. Lee had lived in Albany about 30 years and at one time was deputy state excise commissioner.

Frank Giehl of Metamora, Ill., who died recently at the age of 90, was for years Illinois Fire's oldest agent. He had represented the company since 1885, nine years after it was established, and in his 56 years of service outlived all of his contemporaries in the company. Active and vigorous to the last, he had served as mayor of Metamora and as a justice of the peace.

Anton Trimberger, 69, founder and president of the Grasse-Trimberger Agency, Sheboygan, Wis., former vice-president of the Sheboygan County Insurance Agents Association, died at his home after a lingering illness.

George A. Shears, 54, assistant superintendent engineering department Royal-Liverpool groups, died suddenly from a heart attack after he had worked all day and returned home. Mr. Shears was born in England and came to the United States in 1906. He joined the New York Fire Exchange as clerk, later becoming a rater. In 1913 he joined the schedule department of Royal, and in 1929 was promoted to the position he held at the time of his death.

B. O. Mauldin of the Boston staff of Fire Companies Adjustment Bureau, died of a heart complication. He had been confined to a hospital since April 4, when he suffered an accident while engaged in the adjustment of a loss. He was with the Southeastern Underwriters Association for a time, and after the war was employed by the Southern Adjustment Bureau. He went with the General Adjustment Bureau in Boston in 1930.

N. Y. Brokers Group Holds Annual Election

NEW YORK—Some 600 members of the Insurance Brokers Association of New York, fire and casualty company executives, and agents attended the annual meeting.

Special guests included Superintendent Pink and several deputies of the New York department and presidents of five other New York brokers' organizations.

Sir Gerald Sheppard, guest speaker introduced by Harold Warner, U. S. manager of Royal-Liverpool, told of his experiences in Holland, where he was British consul, during the German invasion.

Mr. Warner said that the downtown British consul, during the German incursion, of which he is chairman, has collected its first \$100,000, plus a great quantity of clothing. He was presented a check by brokers, representing collections for purchase of an ambulance for Britain. This starts the second \$100,000 the Society expects to secure. Arrangements were handled by W. W. Ellis and B. M. Harris.

At the business session the following were reelected directors for three years: Malcolm B. Dutcher, Frank & Dubois; C. O. Pate, Pate & Robb; L. J. Rice, Hagedorn & Co.; W. C. Thomas, Flynn, Harrison & Conroy; George E. Nichols, Gaines, Silvey & Nichols, Inc.; George W. Will, Stewart, Hencken & Will, Inc.

Former President of Ia. Agents' Body Is Dead



G. W. ANDREWS

Funeral services for G. W. Andrews, former Sioux City, Ia., insurance man, were held Monday. He died suddenly at his home in Hollywood, Cal. He was connected with his father in his insurance and real estate office and in 1931 formed his own agency. He was active in association work, serving two terms as president of the Sioux City Fire & Casualty Underwriters and was president of the Iowa association in 1923-24. At the time of his death he was connected with an insurance agency in Los Angeles and had been in good health. Death was a result of a heart attack. A brother is Robert S. Andrews of Sioux City, who is a regional vice-president of the Iowa agents association.

Speakers at "Ad" Conference Spring Meeting Announced

NEW YORK—Paul Hollister, vice-president J. Sterling Getchell, Inc., former executive vice-president and publicity director for R. H. Macy & Co., will speak at the spring meeting of the Insurance Advertising Conference at the Hotel Roosevelt here May 15 on "Creating Advertising That Increases Sales." Other speakers include B. C. Goss, business editor "Newsweek," on "Insurance and Public Relations," and H. L. Peckham of the Hammermill Paper Co., who will tell "How to Use Paper More Effectively in Advertising."

A round table discussion will be led by C. J. Fitzpatrick, secretary U. S. F. & G. Those assigned specific subjects for discussion are: H. J. Graham, Hartford Accident; H. K. Schaffler, assistant manager National Board, and W. K. Churchill, Associated Aviation Underwriters.

Important committee reports will be offered by Jarvis W. Mason, advertising manager National Fire, as chairman of the merchandising-research committee; C. E. Freeman, superintendent business promotion department Springfield F. & M.; chairman educational committee, and L. C. Lewis, advertising and sales promotion manager Agricultural, chairman fire public relations committee.

David C. Gibson, vice-president and advertising director Maryland Casualty and president of the conference, will preside at the opening session. The program was arranged by John Ashmead, advertising manager Phoenix of Hartford.

Little Rock Firm Adds Members

F. D. Watkins, M. M. Anderson, and C. C. Collie have been admitted to L. B. Leigh & Co., general agents of Little Rock, and W. M. Apple has been appointed associate general agent and manager of the casualty department.

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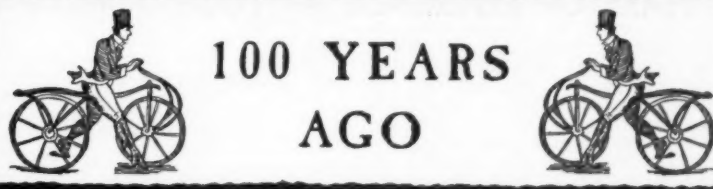
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WHEN the Security Insurance Company of New Haven was launched one hundred years ago, many a property owner traveled about in the quaint—and relatively safe—manner shown above. A Sunday afternoon ride could not possibly involve the great risk of a costly bodily injury or property damage suit which the automobile brought about. Fire and marine coverages would have met most of his needs—and these the Security provided . . . Other times, other customs! Today the hazards facing the property owner are legion. To meet these, the Security and its subsidiaries now write practically all kinds of insurance except life. Progress through a century required it—and the Security has progressed!

A CENTURY OF
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The NATIONAL UNDERWRITER

April 24, 1941

CASUALTY AND SURETY SECTION

Page Twenty-three

Grady Names New General Accident Official Staff

Mungall and Wilsterman Are Appointed Assistant U. S. Managers

PHILADELPHIA—To assure continuance of the steady progress achieved by the United States branch of General Accident since its entry into this country 42 years ago, John H. Grady, U. S. manager and attorney has appointed Daniel Mungall, A. W. Wilsterman and John S. Kaufman as chief lieutenants. Mr. Mungall and Mr. Wilsterman will be assistant U. S. managers and Mr. Kaufman will be agency superintendent.

These three men are seasoned casualty underwriters and are equipped to cope with the ever changing problems. They all possess the aggressive spirit that animated organization through the administration of Frederick Richardson, the late James F. Mitchell, and since last February, that of Mr. Grady.

Mr. Mungall joined General Accident in 1935 as attorney of record for New York. Previously for 10 years he had been with Firemen's of Newark group in a similar post and before that was with Travelers for 15 years. He was named general counsel at the United States headquarters of General Accident in 1938. He will continue to have supervision of all legal and claims matters and will also handle general problems.

Establishes Strong Force

Since 1919, Mr. Wilsterman has been with the General Accident, previously having been with the Massachusetts Bonding. After working in the accident and health department he was named agency superintendent in 1925. He has established a strong agency and branch office force. He was made executive assistant three years ago. He will continue to have jurisdiction over the field and personnel.

After seven years training in the underwriting divisions at the General Accident's head office, Mr. Kaufman was named manager at Springfield, Mass., in 1937. Two years later he returned to Philadelphia as assistant agency superintendent. He will continue to be responsible for new business production.

The new appointments complete the reorganization of the staff necessitated by the death of Mr. Mitchell who served as chief aid to Mr. Richardson before the latter was called to the home office in Scotland to assume general management of the organization.

Premiums Over \$18,000,000

Since it began operations in this country, General Accident had steadily increased its premium income which in 1940 exceeded \$18,000,000 while assets of the U. S. branch totaled \$40,621,569. With agents in all states, the General

Chicago Program Goes Ahead

Opposition of Agents Association Is Not Halting Administration

Regardless of the openly unfriendly attitude towards the acquisition cost program in Cook county that has been taken by the Chicago Insurance Agents Association, there is no indication of any change in the program so far as the companies are concerned. The agents association at a meeting the day before the deadline for filing application for so-called class A agents, adopted a resolution calling upon members not to file such applications and calling upon those who had made such a filing to withdraw it. Nevertheless, it is stated, not all of the members acted in accordance with that resolution.

April 15 Was Dividing Line

Those who filed application for class A designation, which applies to the surety lines alone, can, if approved by the governing committee of the Chicago Acquisition Cost Council, become both general agents and class A agents, whereas those making such application after April 15, if approved, would have to decide whether their designation should be that of general agent or class A agent. Those approved for class A designation may be paid top commission scale for surety business by any company.

Points of Weakness Cited

The agents' association emphasized the fact that several companies are not members of the Cook County Acquisition Cost Council. Some observers say that this would be a fatal weakness if such companies intended to take advantage of their position to create a haven for producers who might lose excess commission connections with subscribing companies, but that there is no indication that this is the intention of the outside companies. Also, the point is argued that the companies operating in New York are automatically members of the acquisition cost council by reason of their obligation under the rules of the national acquisition cost conference. Two of the companies so situated, it is understood, however, have notified Superintendent Pink of New York that they do not intend to be bound by the Chicago Acquisition Cost Council rules.

Those who have the program close to heart admit that the position of the agents has not improved the chances for effective operation of the program, but they do not by any means concede that it is a fatal blow.

Accident maintains branch offices in 16 strategic centers for servicing agents and assured.

The Potomac Fire, which is closely affiliated with the General Accident, is one of the old established fire companies of the land, having been chartered by Congress in 1831. It operates in 35 states. Mr. Grady is president and T. C. Moore, vice-president and general manager.

Excess of N. Y. Perfects New Setup

Stockholders Meeting Entirely Harmonious—New Officers and Directors

NEW YORK—The annual meeting of the stockholders of Excess Insurance Company held Tuesday was entirely harmonious. The Excess Underwriters Syndicate which recently acquired the holdings of the Fuller, Rodney & Co. group cooperated with the interests which controlled the company during the regime of former President R. N. Rose in working out a new program for the operation of the company.

The new officers are George L. Mallery, chairman; Frank F. Winans, president; T. J. McDermott, vice-president; Wm. B. Wise, vice-president; J. P. Gibson, Jr., secretary-treasurer, and R. A. McChesnie, assistant treasurer.

Officers Are Well Known

Mr. Mallery is chairman of Security Mutual Casualty of Chicago. Mr. Winans is chairman and Mr. Gibson president of Excess Underwriters of New York. Mr. McDermott and Mr. Wise have been vice-presidents of Excess Insurance Company for some years. Mr. McChesnie was formerly treasurer.

It is understood that Mr. Winans, the new president, will confine himself principally to the investment policy of the company. Production and underwriting will be under the supervision of Mr. Gibson. No immediate changes in the present staff of Excess Insurance Company are said to be contemplated.

James S. Kemper, who conducted the negotiations for the realignment and who is reported to have acquired a financial interest in the company, has no official connection with it although his brother, H. G. Kemper, is a member of the board and of the executive committee. The other members of the executive committee are Willis H. Booth, F. E. Hasler, H. H. Larnard, James L. Madden and Frank F. Winans. Messrs. Booth, Hasler and Larnard are members of the old board.

Guaranty Trust Man

Willis Booth has for many years been the vice-president of the Guaranty Trust Company of New York. Mr. Hasler is chairman of the executive committee of the Continental Bank & Trust Company of New York. Mr. Larnard is president of S. S. Larnard Company of Boston. Mr. Madden is third vice-president of Metropolitan Life.

The company advises that the board of directors will not be completed until the by-laws can be amended to conform to the provisions of the new New York code. This change will make possible a wider geographical distribution of directors.

Crowd for Aetna's K. C. Meeting

KANSAS CITY—The Aetna Casualty sales meeting with company officials here was attended by 150 Kansas and Missouri agents. C. A. Bissett, Kansas City manager, presided.

Special Policy Covers U. S. Arms Plants' Liability

For Use Where Government Owns Defense Manufacturing Equipment

NEW YORK—As a result of conferences between the Defense Plant Corporation and the National Bureau of Casualty & Surety Underwriters a comprehensive liability policy for the exclusive use of the Defense Plant Corporation, RFC subsidiary, has been developed and is now required in connection with each lease agreement on defense projects.

The Defense Plant Corporation's function is to purchase building sites for the construction of plants and to buy machinery and equipment for use in these plants. The plants are erected by contractors engaged by lessees who have obtained contracts from the war department for manufacturing various products in connection with the national defense program. The Defense Plant Corporation itself has nothing to do with these defense contracts but is merely the owner of the land, buildings and machinery and equipment which are leased to the manufacturing concerns.

Limits Are Specified

The Defense Plant Corporation requires this special comprehensive liability policy with limits of \$100,000/100,000 for bodily injury while property damage liability is to be \$50,000/50,000. The contract is a single interest policy and it is not permissible to include the lessee as an additional insured. If any building construction contract provides for public liability and property damage coverage for the protection of the Defense Plant Corporation only, this coverage is to be cancelled and the premium refund or estimated subsequent premium charge is to be deducted from the bid price contract. With the issuance of the special policy it is unnecessary for the corporation to be named as an additional assured under any policies carried by the lessee or under any policies carried by the contractor. The corporation has instructed that steps should be taken to eliminate the name of the corporation from any such policies.

Coverage Required

The DPC has also directed that all building contracts subsequently executed shall require the contractor to carry the following coverage for its own protection and certificates of insurance should be obtained:

(a) workmen's compensation, or in the states not having workmen's compensation laws, employer's liability with limits not less than \$20/40,000.

(b) contractors' public liability, having limits not less than \$20/40,000.

(CONTINUED ON PAGE 34)

Casualty Writing Experience in Tennessee in 1940

Herewith are given the Tennessee premiums and losses of casualty companies in 1940:

	Premiums	Losses
Accident & Cas.	\$ 126,336	\$ 50,654
Aetna Cas.	430,019	120,752
Aetna Life	101,365	67,641
Allstate	26,086	2,679
American Auto.	148,971	69,509
American Cas.	161,366	87,096
Amer. Credit Ind.	56,702	—487
Amer. Employers.	19,849	4,138
Amer. Fld. & Cas.	70,288	51,045
Amer. Guar. & Liab.	1,596	—
Amer. Indem.	40,221	15,198
Amer. Motorists.	14,846	19,945
Amer. Mut. Liab.	583,638	235,313
Amer. Re-ins.	53,425	10,590
Amer. States.	849	6,409
Amer. Surety.	87,713	34,748
Arex Indem.	8,850	1,212
Associated Indem.	21,375	3,637
Bankers Indem.	1,028	86
Benefit R. R. Empl.	57,677	35,820
Bitum. Cas.	175,129	88,805
Bus. Men's Assur.	58,887	43,557
Car & General.	75,172	23,425
Central Surety.	92,071	66,257
Century Indem.	7,327	1,490
Columbia Cas.	9,952	1,952
Commercial Cas.	101,228	38,400
Commercial Stand.	143,075	93,053
Conn. Gen. Life.	2,522	137
Continental Cas.	215,269	100,539
Eagle Indem.	30,515	6,611
Employers, Ala.	38,261	15,482
Employers Liab.	111,168	38,796
Empl. Mut. Liab.	68,891	29,272
Employers Reins.	91,502	43,778
Equitable Society.	153,211	40,921
Equity Mutual.	15,655	6,666
Excess	4,538	2,450
Factory Mut. Liab.	4,713	127
Federal Life.	5,518	10,637
Federal Life & Cas.	11,349	5,635
Fidelity & Cas.	404,232	134,649
Fidelity & Deposit.	119,231	37,411
Fireman's Fund Ind.	12,493	6,489
General Acci.	100,103	20,123
General Amer. Life.	22,919	14,653
General Reins.	59,209	39,312
Glens Falls Indem.	48,744	12,445
Globe Indem.	170,494	58,053
Great Amer. Indem.	109,679	29,843
Great Northern Life.	25,154	8,483
Hardware Mut. Cas.	55,221	9,504
Hartford Acci.	394,562	143,446
Hartford St. Boil.	59,571	16,932
Home Beneficial.	233,410	110,401
Home Indem.	43,584	16,507
Indem. of No. Am.	214,216	40,088
Inter Ocean Cas.	32,003	18,085
Interstate	1,331,923	492,377
John Hancock	1,421	328
Kemba Mutual.	7,546	7,417
Ky. Home Mut.	40	—
Liberty Mutual.	503,500	181,212
Life & Cas.	298,633	123,334
London Guar.	38,247	28,032
Lumberm. Mut. Cas.	176,748	52,918
Maryland Cas.	341,606	116,729
Mass. Bond.	38,816	11,335
Mass. Protec.	67,729	38,926
Metropolitan Cas.	78,259	38,768
Metropolitan Life.	279,486	163,843
Mutual Boiler.	19,657	1,046
National Cas.	67,979	38,206
National L. & Acci.	727,945	367,488
Natl. Mut. Cas.	3,858	3,072
National Surety.	100,999	16,271
New Amsterdam.	205,610	44,970
New Century Cas.	302	4,494
New York Cas.	36,761	8,835
North Amer. Acci.	48,576	13,560
Occidental Indem.	2,702	7
Ocean Acci.	96,057	31,669
Ohio Cas.	11,606	7,092
Pacific Mut. Life.	112,268	92,038
Paul Revere Life.	14,862	5,638
Peerless Cas.	3,461	—
Penna. Cas.	152,463	88,341
Phoenix Indem.	35,942	16,184
Preferred Acci.	43,188	5,045
Provident Life.	595,707	307,445
Prudential	70,518	41,146
Reliance Life.	19,894	7,541
Royal Indem.	92,295	14,532
St. Paul-Merc.	76,919	35,976
Seaboard Surety.	4,314	—
Security L. & A.	13,048	4,712
Security Mut. Cas.	17,297	7,895
Shelby Mutual.	9,254	1,974
Standard Acci.	336,665	137,219
Standard Surety.	48,194	15,419
State Farm Mut.	344,159	181,174
State Auto Mutual.	114,590	44,150
Sun Indem.	7,086	2,387
Tennessee Auto.	396,857	163,572
Travelers Indem.	133,735	36,504
Travelers	652,665	260,991
Trinity Universal.	91,885	21,676
United Benefit Life.	1,390	129
United States Cas.	30,622	35,174
U. S. F. & G.	1,046,527	306,184
U. S. Guar.	64,283	11,933
Utica Mutual.	2,197	608
Utilities	100,895	44,132
Virginia Surety.	312	90
Washington Natl.	132,791	60,437
Western Cas. & Sur.	47,828	19,435
Yorkshire Indem.	20,119	5,120
Zurich	121,673	89,383

ADVANCED TO HIGH POSTS BY GENERAL ACCIDENT



DANIEL MUNGALL
Assistant U. S. Manager



ALFRED W. WILSTERMAN
Assistant U. S. Manager



JOHN S. KAUFMAN
Agency Superintendent

"Say It in English" Presentation by Withe Makes Hit at Oakland

OAKLAND, CAL.—One of the high points at the convention of the National Association of Insurance Agents was the presentation by Stanley F. Withe, publicity manager of Aetna Casualty, entitled "Say It in English." This was a combination address and moving picture feature.

Mr. Withe's recommendation was to cause the prospect to visualize the protective values of insurance through his imagination. The agent should avoid legal and contractual terms that are confusing to the average person and give a simplified, humanized presentation.

The prospect wants to know what insurance protection will do for him, Mr. Withe observed. Insurance terminology interprets his contract in precisely correct legal form and in a way entirely clear to the insurance expert but the average buyer can comprehend only through a common denominator of widely used words and phrases. According to Mr. Withe, failure of the agent to reduce the presentation to this denominator accounts for the loss of many sales.

Avoid Too Much Detail

The agent may be too detailed in his explanation, subconsciously lapsing into insurance phraseology.

He gave an example of the wrong type of presentation:

"Yes, Mrs. Brown, I have exactly the policy you need. Now this policy will indemnify you for loss of all property covered against the hazards of burglary, theft and larceny from within the premises. Furthermore, the coverage is extended to indemnify you for the loss of the property from any safe deposit box in any bank or trust company. You will be glad to know also that this contract contains a 'permissible vacancy' clause of six months."

Saying the same thing in English: "Mrs. Brown, we have a contract that I think is just what you need. If a burglar should break into your home, or if anything should be stolen by servants or sneak thieves, the insurance company will make good any loss or damage. Or, if any of your jewelry or other belongings should be stolen from your safe deposit box in the bank, the company will pay you for the loss. Even when you go south next winter, your insurance continues to protect your belongings here at home."

Similarly the term medical reimbursement may mean little to the prospect but he will listen when the agent speaks

about paying the doctor and hospital bills if he should be injured in an accident. The prospect may not be interested in release of attachment bond service but would be glad to know that his auto policy offers a means of getting out of the sheriff's clutches so that he could be on his way in the event he should become involved in an auto accident.

Mr. Withe advised agents to go over their sales talks from time to time and analyze their explanations of the various coverages. "Substitute plain, forceful language for the words, phrases and sentences which may be technically correct but which serve only to confuse or irritate your prospect."

Chicago Claim Chasers Use Short Wave to Get Tips

Ambulance chasing lawyers in Chicago now are operating with the most modern facilities, and have streamlined their business. One of the outstanding claim chasers has runners, whose cars are equipped with short wave radio. They listen to the police broadcasts of accidents and frequently beat the squad cars to the scene. While it is illegal for civilians to have short wave radios in their cars, the claim chasers have worked out some method to avoid detection.

They have an espionage system like that of the Gestapo in Germany and have infiltrated everywhere it will help their racket. It is reported by claim men that some of the runners even don white starched coats similar to those of internes and hang around the hospitals. It is well known that they have many tipsters among the police, hospital staffs and even in the insurance world.

San Diego Agents Reprimanded

SAN DIEGO, CAL.—Eighteen agents in and around San Diego were reprimanded by Commissioner Caminetti, for violations of provisions of the insurance code, and were cautioned against further similar actions. The reprimands were the result of hearings accorded 41 agents here in January. The infractions included failure to display licenses, failure to handle premiums in a fiduciary relationship, and other minor ones that heretofore have been passed over because of lack of personnel in the department properly to inspect agents' records.

Get Non-Resident Agency & Brokerage Laws. \$1. National Underwriter.

Illinois Approves Accounts Receivable and Four Other Related Casualty Forms

The Illinois department has approved the accounts receivable destruction and damage form, effective April 12, along with outside messenger only coverage, premises all risk for money and securities, lessees of safe deposit boxes, and money and securities destruction on the premises. At one time the department approved these casualty forms, then disapproved them.

The accounts receivable policy, which has proved a popular form in other states, protects against loss to the assured from inability to collect accounts because of destruction of or damage to accounts receivable records. Premium is based on the fire contents rate with credit for superior construction.

Rates for Forms

Bureau rate for outside messenger only, including fidelity, is the messenger robbery premium increased 10 percent; excluding fidelity, the messenger robbery premium plus seven percent. Premiums all risk for both money and securities is the safe burglary rate per \$1,000, plus the interior robbery rate per \$1,000, plus \$8.50 per \$1,000; the securities only protection has special manual classifications. Protection for lessees of safe deposit boxes costs \$1 per \$1,000 for the first \$500,000 in a burglar-proof vault; 75 cents per \$1,000 for the next \$500,000, and 50 cents per \$1,000 for each additional \$1,000. Money and securities destruction on the premises costs \$5 per \$1,000 for the first \$2,000 and \$1 per \$1,000 for each additional \$1,000.

The valuable papers and documents form is being revised and will be approved shortly by the department. This will take the fire contents rate with discounts for superior protection.

Craftsman Casualty Selling Stock

The Craftsman Casualty of Los Angeles, now in process of organization, has been granted a permit to sell 10,000 shares of stock, 5,000 shares of which will be common stock at \$1 par value and 5,000 \$50 par value. Authorized capital is \$255,000. Jessel Venables is president; W. I. Brennan, vice-president; J. C. Singer, secretary. Mr. Venables was formerly agency superintendent of Trinity Universal and at one time special representative of the California Insurance Bureau, organization of non-board fire companies. He has also been with the Pacific Employers and National Automobile of Los Angeles.

Quiz Mass. Bonding on Expirations

Court O.K.'s Hoey Agency Examination of Company's Men on Issue

NEW YORK—On order of Justice Levy of the New York supreme court, attorneys for Hoey, Ellison & Frost, Inc., are examining officials of Massachusetts Bonding beginning April 23. The general agency is seeking to enjoin the company from soliciting expirations on the agency's books.

The order empowers examination on a number of matters of fact of Wallace J. Falvey, vice-president of Massachusetts Bonding, and C. N. Alvarez and F. L. A. Brinkmeyer, solicitors of the company, before trial of the injunction suit. The agency contends that company representatives visited brokers after the agency resigned as general agent of the company and sought renewal of specific expirations on the agency's books.

If necessary, other officers of the company, including T. J. Falvey, president, and Spencer Welton, vice-president, may be examined. On completion of the examination at the supreme court, the agency will move for trial of the injunction application.

Falvey Affidavit

Vice-president Falvey has filed an affidavit in the suit contending that there is no "general custom or practice in the insurance business to the effect that expirations, meaning the right to solicit or secure the renewal of expired policies, shall remain the property of the agent and be in his undisturbed possession."

Among the points on which the agency is interrogating the company are:

The general theory that there exists in insurance an established custom and practice whereby, on expiration or termination of an agency agreement, use and control of expirations remain the exclusive property of the agent and are left in its undisturbed possession if the agency has accounted for and paid the company current balances and other obligations.

Equipping Succeeding Agent

That the company is prohibited from equipping the succeeding agent with this expiration information and from soliciting brokers or assured for the expirations.

That the company is entitled to retain only such unexpired business as is renewed at the request of assured or broker.

That the company and its representatives immediately after Dec. 5, 1940, solicited renewal of the agency's expirations from brokers dealing with the agency, and asked the brokers to renew directly with the company.

That the company promised brokers rate reductions and otherwise handling of the business better than the agency had been doing.

That the agency has suffered damages while the company benefited financially since any business it acquired in the manner alleged would save it normal acquisition cost and overriding commission to a successor agency.

That valuable good will is being acquired by the defendant.

The Life, Health & Accident Insurance Women of Denver was formed with 40 members. Officers are: president, Mrs. Myrtle B. Quinn, Continental Mutual Health & Accident; vice-president, Maybell Simmons, Home Life; recording secretary, Valerie Hawkins, Continental Mutual H. & A.; corresponding secretary, Edith Grim, Lincoln National Life.

\$18,000,000 for Summer Civilian Pilot Training

WASHINGTON—Congress has appropriated some \$18,000,000 for the continuation of the civilian pilot training program, which is enough to assure completion of the summer term. The Civil Aeronautics Board sought \$37,000,000. About 37,000 pilots have already been trained.

One reason why Congress did not appropriate the full \$37,000,000 was that the army and navy are inclined to look down their noses at the program, holding that what a man learns on a light, low-powered training plane is of little use in handling the speedier army or navy trainers.

Saving to Army and Navy

Backers of the program however point to statistics showing that while the army ordinarily "washes out" about 37 percent of its student pilots because of lack of inherent flying ability or some other cause the ratio is only 16 percent in the case of student pilots who have already come through the civilian pilot training program. The contention is that the civilian program saves the army and navy a great deal of time and money by cutting down the percentage of student pilots who are taken in, given an expensive training, and yet are finally weeded out. Training of civilian pilots under the C.A.B. program involves no expense for salary or maintenance of the students.

Insurance people have a direct interest in the continuation of the civilian pilot training program, since each student must be insured for personal accident (medical reimbursement and death benefit) while the flight contractor giving the instruction must carry public liability insurance.

Lumbermen's Mutual Boston Rally

BOSTON—Home office officials and major department heads of the Boston office of the Lumbermen's Mutual Casualty were hosts to Boston brokers and agents. President J. S. Kemper was unable to be present owing to a sudden throat infection and the home office was represented by H. G. Kemper, executive vice-president; Chase M. Smith, general counsel, and G. H. McClure, assistant treasurer.

U. S. F. & G. Ohio Branches

With the opening by U. S. F. & G. of branch offices in Cleveland and Columbus, those Ohio territories will no longer be supervised out of the Pittsburgh office as they have been for many years.

L. Brent Wood is manager of the Cleveland office, which is in the Hickox building. At Columbus, Morgan E. Dudley, manager, has offices in the Huntington Bank building.

American States Has New Cincinnati Manager

American States of Indianapolis has appointed James McDonald manager of the Cincinnati office.

Mr. McDonald has been in the insurance business in Ohio for 15 years, acting as a special agent. He started with Hartford Steam Boiler, then went with Ocean Accident and more recently has been covering southern Ohio for Lumbermen's Mutual. He has made an excellent record in the field and is well known by agents in southern Ohio.



James McDonald

Discuss Cullen as N. Y. Exchange Head

Surety Underwriters perked up their ears Sunday night when Walter Winchell in his nationwide news broadcast, stated that Vincent Cullen, president of National Surety, was being considered as head of the New York stock exchange. The post was vacated recently by W. M. C. Martin, who gave up an annual salary of more than \$48,000 to enter the army as a private.

To a representative of THE NATIONAL UNDERWRITER Mr. Cullen admitted he



VINCENT CULLEN

had been approached a short time ago by a banker who stated Mr. Cullen's name had been seriously mentioned in connection with the exchange presidency. What was desired, the visitor said, was a man without Wall street affiliations, who possessed executive ability and proven business worth, one who was in touch with affairs throughout the country and was qualified to chart a safe and sane course for the great stock organization. Shortly after this visit Mr. Cullen was approached by a committee from the exchange, who sought particulars of age, scholastic and business training, opinions on current affairs generally.

Whether Mr. Cullen could be induced to leave his present position in the field with which he has been identified throughout his business life is a question. He pointed out early this week that the exchange position had not yet been definitely offered.

A native of Baltimore Mr. Cullen was educated in the local public school and the Baltimore Polytechnic Institute. His first business association was with American Bonding. Subsequently he was, in turn, general agent for Hartford Accident at Cleveland; vice-president in charge of the New York Metropolitan office of Fidelity & Deposit, and vice-president and manager of the Greater New York department of National Surety. On formation of National Surety Corp. as successor to National Surety Co. in 1933 he became president. He is a director of the Towner Rating Bureau.

While representing Fidelity & Deposit, he was associated with President Roosevelt, then vice-president of the company in New York, and the two became close personal friends, a relationship that has continued. He is credited with being one of the best informed men of the country as to economic and industrial conditions and a top public relations man.

Discuss L. A. Speakers Bureau

LOS ANGELES—The Casualty & Surety Field Men's association of Southern California at its meeting this week heard reports on the progress being made in the formation of a speakers bureau, and then listened to a talk on traffic accidents and traffic conditions by Municipal Judge Dawson.

Takes Over Oregon Boiler Inspections

Insurance Men Oppose Labor Commissioner's Action—Means Duplication

C. H. Gram, Oregon labor commissioner, has cancelled appointments of all insurance elevator and boiler inspectors as deputies of the commissioner's department, effective April 20. The state is taking over the inspection work.

Insurance interests are opposed to the move but have not determined on a course of action. It is generally felt that the labor commissioner is within his legal rights in taking the action. Under state law he is responsible for all inspections. The commissioner has been deputizing insurance inspectors to give them specific authority to make inspections.

Charges Reports Unsatisfactory

"Due to the unsatisfactory manner in which some of the insurance company inspectors are making their reports to this office, we have decided that, for our own protection, we will do the inspection work ourselves," Gram's notice to inspectors stated.

He said that it is "costing too much to keep records for insurance companies." Inspection reports have not been satisfactory. We have already been inspecting about half the boilers in the state and making inspections for some smaller insurance companies anyhow.

The state charges \$5 a year for examining each boiler or elevator not inspected by insurance inspectors. Insurance companies include inspection costs in premiums.

Gram said he would employ about three more inspectors to his staff of eight for boilers and three for elevators.

Carriers Have 100 Inspectors

It is estimated that insurance companies have about 100 inspectors. In 1940 of 6,117 boilers in the state 2,817 were insured and inspected by the salaried deputies, the others by state men. The state had 1,784 boilers insured, 183 elevators uninsured.

Bills in the 1939 and 1941 legislative sessions to provide for inspection by insurance inspectors were defeated. They provided a fee of \$1.50 per year for inspecting each boiler and elevator, payable to the labor department. They were opposed on grounds it would increase labor department funds at the expense of the insurance department and the general fund, which share in the 2 1/4 mill tax on policies.

Inspection Costs Higher

Under the setup created now by Gram's action building owners and operators of boilers statewide will have the additional inspection expenses.

Gram cited as typical of the basis for his action the case of an elevator inspected by men representing three insurers (one covering owner's interest and the others the interests of two tenants), where respective reports furnished the department did not conform in their recommendations.

Egloff Busy in Missouri

John H. Egloff, Travelers, discussed retrospective rating, which Missouri recently approved, at a meeting of the insured members' conference of the Associated Industries of Missouri at St. Louis.

Casualty producers of St. Louis heard Mr. Egloff at a luncheon meeting, sponsored by Travelers.

The Casualty & Surety Association of Kansas City will hear Mr. Egloff April 25 at a luncheon.

Travelers agents at Kansas City will hear Mr. Egloff April 28, Wichita agents April 29.

ACCIDENT AND HEALTH

National A. & H. Association Offers Series of Lectures

The National Accident & Health Association has ready for distribution a series of three lectures for accident and health agents, written at the request of President E. H. Ferguson.

The first lecture, by Harold R. Gordon, executive secretary Health & Accident Underwriters Conference, is on "The Institution of Accident and Health Insurance" and the second by Armand Sommer, Continental Casualty, on "Underwriting Accident and Health Insurance." The third lecture is in two parts: "Why Sell Accident and Health" and "What You Have to Sell." It is by E. H. O'Connor, Provident Life & Accident. Both Mr. Sommer and Mr. O'Connor are past presidents of the National association.

A "quiz" consisting of about 25 questions has been prepared on each lecture. A certificate suitable for framing will be awarded to each agent who makes a grade of 70 percent on each of the three lectures. Each certificate will be signed by the president of the National association and countersigned by the local sponsor of the lecture series.

Local Sponsors Required

The National association is offering the series of three lectures, together with the quiz system, to all companies, general agents and managers, as well as to the local accident and health associations throughout the country. They may be given as agency instruction for groups, as the program for a one-day sales congress, or at a series of evening meetings. To assist sponsors in grading quizzes, a set of confidential answers has been prepared and will be furnished as a part of the lecture system.

The three lectures, a quiz for each, with answers, specimen certificate for exhibition purposes and complete instructions have been put in a special folder jacket and will be mailed postpaid to any company, general agent or manager for \$1. Companies, agencies and associations may secure any quantity desired of the quizzes, without answers, at 10 cents a quiz, or 30 cents for a set of three. Certificates may be had at 10 cents each, so that the whole series, with quizzes and certificate, may be put on at a cost of only 40 cents per agent for material. Distribution is being handled by Mansur B. Oakes, chairman committee on education of the National Accident & Health Association, Box 5398, Indianapolis.

Secure Headliners for Conference Meet

Two featured speakers are announced by G. A. L'Estrange, Wisconsin National Life, convention chairman for the annual meeting of the Health & Accident Underwriters Conference at the Edgewater Beach Hotel, Chicago, June 3-5.

Holgar J. Johnson will appear at the opening session of the convention and will speak on "The Importance of Public Attitude." Mr. Johnson is president of the Institute of Life Insurance, whose column "Hindsight and Foresight," appears each Monday in several hundred newspapers throughout the country. Mr. Johnson is a past president of the National Association of Life Underwriters and left a splendid record of achievement in the life insurance sales field to become president of the institute in 1939.

Another speaker of particular importance to accident and health executives will be J. G. Crownheart, secretary State

Medical Society of Wisconsin, who will discuss "Looking at Sickness Insurance Abroad." Mr. Crownheart went abroad in 1938, studying compulsory sickness insurance and medical care in England, Scotland, Norway, Sweden, Denmark, Germany, Czechoslovakia, Hungary, Austria, Switzerland and France.

In view of several recent proposals in state legislatures for a compulsory health insurance program, Mr. Crownheart's address will be very interesting.

N. Y. A. & H. Club Hears Missing Bureau Head: Sales Dinner Plans Given

NEW YORK—Suggesting a rule that he urges his men to apply, Capt. John G. Stein, head of the New York city missing persons bureau, advised the Accident & Health Club of New York "to return favors to people that have done likewise for you and in that way establish contacts. The latter proves invaluable for us and should be of the greatest help to men in accident and health selling."

Captain Stein said that of the 32,000 cases handled by the bureau last year, 10,000 were reported as missing. Some 5,227 people were found dead in cheap hotels, lodging houses, public parks, streets, etc., and 849 of this number were men who had no identification. However, only 101 men and six women were left unidentified and buried in the city cemetery. Next to the finger print, the dental chart is the best form of identification, he said.

Julius Ullman, W. L. Perrin & Son, chairman, gave a report of the arrangements for the sales banquet May 6 at the Hotel New Yorker. Brokers will be guests of the companies and in order to qualify a broker must turn in five applications during the month of April. William F. Casey, Accident & Casualty, first vice-president, was in charge of the meeting, and Robert W. Pope, Employers Liability, president, presided.

Col. Joseph A. Baer, chief of staff of the second corps area of the U. S. army and Carl Henrikson, director of education for the National Association of Credit Men, will be speakers at the sales banquet. The latter will discuss the situation concerning credit and insurance under war conditions. Many company executives have signified that they are planning to attend. Reservations are available through John M. Boyle, Continental Casualty.

Hospitalization Company Held for Doctors' Malpractice

Hospitalization companies are liable in damages for injuries sustained by members from the malpractice of physicians employed by the hospitalization company, according to the Oregon supreme court in *Giusti vs. C. H. Weston Co. et al.* Judgment of \$5,000 against the company and the two physicians employed by the company who treated the patient, was given in the lower court. On appeal the case was reversed because of errors, but the liability of the hospitalization company was emphatically affirmed.

Insured Football Squad

The C. H. Weston Co. was an Oregon corporation authorized to do business as a hospital association and organized under section 46-901, Oregon Code 1930. The Weston Co. insured the football squad of Washington high school in Portland. The plaintiff was a member of the squad and dislocated his shoulder in a game Sept. 14, 1935, and again on Sept. 20, 1935. Thereafter he sought and was given medical attention at the offices of the Weston Co. by physicians who were paid a monthly salary and who were furnished offices in connection with the Weston offices. The defense of the Weston Co. was

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that the physicians were independent contractors. The court pointed out that they were regular employees and rendering services which the corporation was organized to render.

It is not believed that insurance companies are exposed to the malpractice hazard. Ordinarily an insurance company pays the benefits to the insured, who in turn pays the doctor or hospital. At any rate, one of the talking points of the insurance plan against the association plan is that the patient selects his own physician or hospital.

Hospital Associations Face Period of Stress and Strain

The so-called non-profit hospitalization plans are being subjected to some stress and strain. The hospitalization idea was really a promotion of the hospitals themselves, during the depression, to fill empty beds. This was useful to them for a time, but with more money in circulation, hospitals are filling up or becoming crowded, and the low rates guaranteed in the hospitalization arrangements are becoming bothersome.

Another development is that many patients may go to a hospital, without disclosing that they are depending on association benefits, and take the best accommodations available. When settlement time comes, the hospital is referred to the association for payment. This has become so bad that many hospitals have included in the admission blanks a question whether the patient is relying on hospital benefits for the payment of the bill or not.

Another thing the hospitals are observing is that x-rays, serums and other things they are bound to furnish frequently run into considerable sums.

On the other hand, it is said there is some dissatisfaction among subscribers. Some claim that the services available are not nearly as useful as they sound. What the employees get for what they pay is considered by them out of line. The collections are made from a class of people who are reluctant to go to hospitals, or to send members of their families there. The premiums are deducted from payrolls steadily, but the cases where the benefits are utilized are rare. It would not be surprising if the hospital association movement has passed its crest.

UNDERWRITING LOSS IN IOWA

DES MOINES — Hospital Service, Inc., of Iowa for its first 14 months of operation had an underwriting loss of \$5,715, its annual statement filed with the Iowa department shows.

It has 40 member hospitals, of which 23 have contributed \$8,287 and \$2,118 is available but not called from the other 17. Each hospital is required to contribute up to \$200 maximum membership fee. It pays them \$5.25 per day for each subscriber patient hospitalized, with the first-day charge \$10.50 if less than four days; \$4.25 per day for each dependent and \$3.25 on maternity cases.

Its premium is \$9 per year for male or female for standard policy and \$7.20 for special, and for family group \$18 and \$14.40. Maternity is covered only in the family policy. A minimum of 21 days hospital care up to a maximum of 111 days is offered.

The expense ratio for the 14 months was 51.63 percent, with administration expense 26.67 percent and soliciting subscriber expense 24.96 percent.

Length of Disability from Common Injuries Reviewed

PITTSBURGH—Commenting on the rarity of medical examination with companies paying the bill in the case of accident and health claims, Dr. H. N. Malone, Pittsburgh physician, outlined the disabling effects of common injuries at the monthly meeting of the Pittsburgh Accident & Health Association.

Two weeks would be the average

length of time allowed for disability for a rib fracture, unless the broken rib punctured the chest wall or a lung, he stated. Fractures of small bones of the hand or fingers do not ordinarily cause long disability, he declared. Men in the army who suffered such injuries were not out of service long, he pointed out. Nature does a good job in healing hand injuries, he added.

He described the difference in healing processes in long or marrow-containing bones and flat bones that do not have marrow cavities, such as those in the face and skull. He pointed out the complications that can ensue when an excess of bone-building material is thrown out, and referred to the failure of large apertures in the skull to close completely. This latter condition leaves the brain without full protection from injury in subsequent mishaps, and plates applied to the skull are now acknowledged to be an unsatisfactory method, he continued.

Earle E. Gangewere, president, announced his retirement due to ill health, and Ross F. Roberts, Loyal Protective, was moved up from vice-president to take his place. Mr. Gangewere is remaining with American Casualty but said he would not be active here for the present.

Continental Has New Special Business Women's Policy

The Continental Casualty has put out a special accident and sickness policy for business and professional women. It may be sold to women ages 16-54, classes A-D*, if self-supporting and employed away from place of residence. It pays one year for total accident disability for "her occupation" and indefinitely thereafter for "any occupation," with one-half partial for six months; 12 months confining illness and full indemnity for two months non-confining, with seven days elimination on any sickness claim.

Diseases of the generative organs are not excluded, although pregnancy, childbirth or miscarriage are. It is incontestable after two years as to time of commencement of sickness which causes disability beginning after that time. Regular air travel is covered.

The annual premium for each \$10 monthly, ages 16-44, class A, with first-day accident cover and seven days elimination for sickness, is \$5.25, with \$1.70 for each \$1,000 principal sum. It is also written with 15 or 30 days elimination for sickness and seven, 15 or 30 for accident, if desired. A 90-day hospital indemnity rider may be added at \$3 for each \$1 per day, with limit of \$5 per day, and a surgical indemnity rider with amounts ranging from \$5 to 100, for \$9.60.

Show Heart Films in Los Angeles

LOS ANGELES—Dr. R. W. Langley, whose film, "The Human Heart and Its Sounds," has been attracting considerable attention among insurance men, particularly from the claims angle, showed the movie before the Accident & Health Managers Club of Los Angeles, preceding it with a short talk on heart diseases and actions, during the course of which he exploded some common ideas anent high blood pressure, acute indigestion, and others.

It was announced the prizes for the golf tournament at the June 23-25 convention of the National Accident & Health Association will exceed \$200.

High School Company in Red

DES MOINES—The Iowa High School Insurance Company, which offers accident insurance to high school athletes, showed an underwriting loss of \$3,338 in 1940, its first full year of operation. Organized by the Iowa High School Athletic Association, it pays up to \$200 medical care, the schools and the athletic association paying the premium.

The loss ratio was 83 percent with \$16,150 premiums paid and \$6,381 in

policy fees for a total of \$22,532. Losses were \$17,025 and expenses \$5,797.

Roseman Heads Birmingham Club

BIRMINGHAM, ALA. — Malvin Roseman, Maryland Casualty, was elected president of the Birmingham Health & Accident Club at the annual meeting to succeed C. C. Crow, General Accident. William T. Halliday, Mutual Benefit Health & Accident, was elected vice-president and Joseph M. Ausley,

North American Accident, secretary-treasurer.

Heins Canadian Agency Chief

TORONTO—Ross D. Heins has been appointed superintendent of agents of the disability and commercial accident and health departments of the Continental Casualty at its Canadian head office here. He joined Continental in 1935 as inspector in the railroad department.

FIDELITY AND SURETY

Special Handling for Defense Bonds

To expedite handling of defense projects a number of surety companies are giving special service on all matters connected with bonding requirements of contractors bidding on or obtaining defense jobs.

Agents and branch offices have been asked by the companies to mark mail pertaining to such matters in a way to designate the defense character of contents. One office writes "Defense" in red ink on the envelopes carrying such mail. In most cases agents and branch offices are using long distance and telegraph, and the result has been a considerable acceleration in handling defense contract insurance.

Companies have advised agents to interpret liberally the question of whether any particular bond comes within the defense classification, and have asked them to include construction work stimulated indirectly by defense needs. A good deal of private construction growing out of commercial and industrial expansion is being given preferred service.

Payment on Material Must Go Toward Current Contract

LINCOLN, NEB.—The Nebraska supreme court holds that the surety for a contractor has the right to have payments made to a material man credited on the material used on that particular contract, thereby releasing Continental Casualty from a \$26,000 claim made by the Ash Grove Lime & Portland Cement Company. The Continental was surety for the Moran Construction Company, which failed to pay for all material it had purchased. The cement company credited payments made under this contract on back balances due on other contracts. It says no bonds carry any clause that takes away from the contractor the right to use the money paid him under his contract as he pleases, and that the court is writing into the bond what is not there.

Milwaukee Group Holds Election

At its annual meeting, the Surety Underwriters Association of Milwaukee elected new officers. They are H. W. Prippls, associate manager Fidelity & Deposit, president; A. H. Edwards, manager American Surety, vice-president; E. F. Halkey, manager surety department, Gaedke-Miller agency, secretary-treasurer. Those elected to the executive committee include A. J. Goddard, Aetna Casualty; F. D. Madden, National Surety; R. F. Phillips, U.S.F. & G.; W. M. Wolff, Fidelity & Deposit.

R. I. Senate Votes for Surety Probe

The Rhode Island senate has passed a bill calling for a general investigation of surety companies, but it is unlikely that it will pass the house. The bill is said to be an outgrowth of a grievance of a tax collector in one of the counties. The books of this collector were examined by representatives of the county board and mistakenly revealed a shortage. The fact that there was no shortage was established by an independent

audit. Although this tax collector's surety company is said to have had nothing to do with the examination, a friend of the tax collector in the legislature jumped to the conclusion that the surety company was responsible, and he sponsored the bill for an investigation of surety companies.

Los Angeles Changes Reviewed

LOS ANGELES—Two changes in bonding conditions in Los Angeles county and city were brought to the attention of the Surety Underwriters Association of Southern California at its meeting.

The county has included the used car dealers bond, the 30-day cancellation clause, a change in regard to liability for tires, etc.

A new city ordinance, which requires all bonds to be furnished in duplicate, declares it is the policy of the city to require corporate surety bonds except where the law permits cash bonds or personal sureties, requires the city controller to report on the financial condition of any surety or insurance company offering a bond, provides for a 30-day cancellation clause but makes that clause inoperative where a particular plan of cancellation or termination is provided.

Big Bonds for Building Transports

LOS ANGELES—The Pacific Indemnity has executed two bonds of \$2,625,000 each for the Consolidated Steel Corporation, running to the United States Maritime Commission, as sureties for the construction of two transports for the commission, each of which will cost \$4,375,000. Each bond calls for a \$875,000 performance penalty and \$1,750,000 for payment.

Minn. Can Require Rate Filings

ST. PAUL—The Minnesota department has no authority to require that fidelity and surety rates be filed with the department before they are effective, but it is proper for the department to request that such rates be filed in order to determine violations of the law. E. J. Devitt, assistant attorney-general in charge of insurance matters so holds.

Richfield Oil to Protect Its Directors Against Suits

Still another corporation is now taking steps to amend its by-laws to provide for indemnification of directors and officers for the cost of suits in which they become involved by reason of their official capacity with the company except where the individual is finally adjudged guilty of wilful misfeasance or malfeasance in the performance of his duty. The company is Richfield Oil Corporation of Los Angeles. The amendment will be voted on at the meeting of stockholders May 14. Quite a number of corporations have taken similar action in recent months and the surety companies are much interested in this development. Studies are being made of the possibility of selling to corporations that assume such liability for the action of directors a policy to protect the corporation.

Page-Anderson Bill Conference Held

State Departments Seek Classification Before Recommending O. K.

ALBANY—As a prerequisite to recommending the Page-Anderson bill to Governor Lehman for signature, several questions asked by the commissioner of taxation and finance, the motor vehicle commissioner and Superintendent Pink were discussed by representatives from all groups that had sponsored the bill at a meeting Tuesday before Tax Commissioner Graves. The bill is modeled after the New Hampshire financial responsibility law.

It was requested that reports of accidents be limited to those in which there is a \$25 property loss or a personal injury only, and that some limit be placed upon the penalty of carrying insurance or proving financial responsibility on the ground that as the bill reads a comparatively minor offense would require proof of financial responsibility in perpetuity. It was agreed that when a man is held innocent after a jury trial or a hearing that he be allowed to revert to his original status, this also to apply to cases settled out of court.

Commissioner Graves stated that there is some doubt as to the constitutionality of the section of the bill preventing the sale of a car by a man who could not establish financial responsibility. He stated that if on Jan. 1, 1942, no insurance assigned risk pool has been established by the companies the legislators will require it by law. It was promised that the companies would make this arrangement.

There was general agreement that an amendment should be sought by which the cost of operation should be financed by taxing either license registrations or license plates. In the meantime the cost of operation must be paid by insurers and self insurers.

When the cost of administering the bill was quoted by Director of the Budget Webb to be \$900,000, W. E. McKell, president of New York Casualty, offered the services of insurance accountants to help establish the most economical way of handling details.

Griswold, Hartford Editor, Joins Travelers Publicity

W. G. Griswold, editor of the Sunday magazine section and assistant Sunday editor of the "Hartford Courant," will join the publicity department of Travelers May 1.

Mr. Griswold, a graduate of the University of North Carolina, has been a member of the "Courant" staff for 11 years. He was born in Middletown, Conn., where he still is a resident and is well known as a piano accompanist.

Shelby Mutual Educates Agents

A series of educational sales meetings has just been completed in Ohio by Shelby Mutual Plate Glass. An extensive program of such meetings is planned for the remainder of the year. Interest shown at the Ohio meetings gives promise of a successful educational program throughout the states where the company is writing general liability.

Meetings so far have been held in Findlay, Dayton, Columbus, Mansfield, Warren and Canton, O., with a large percentage of agents in attendance.

Sessions in each city have been devoted to a study and discussion of general liability.

The future schedule for similar meetings shows Pennsylvania next on the list. Announcement of dates for the meetings has not yet been made, but individual invitations to agents are expected to go out in the next few days.

The members of the Shelby Mutual

home office force leading the discussions at these meetings are L. M. Dunathan and E. P. Curry. Earlier this year another series of educational sales meetings on the various burglary coverages took Mr. Dunathan and Mr. Curry to North Carolina, Virginia, Michigan, Rhode Island and Connecticut.

Commissioner Johnson of Minnesota attended regional fire schools at Eveleth and Bagley, speaking at both of them.

Get Non-Resident Agency & Brokerage Laws. \$1. National Underwriter.

Insurance Against Loss or Damage to Corpse Upheld

ST. PAUL—E. J. Devitt, assistant attorney-general, has advised Commissioner Johnson of Minnesota that the commissioner is authorized to approve a policy which insures against liability for loss or damage to a corpse. Commissioner Johnson had asked for an opinion following submission by a casualty company of a policy form titled "funeral directors liability policy."

By the terms of this policy funeral

directors are insured against any liability which they might incur by reason of the loss of or damage to dead human bodies, clothing on such bodies, caskets and fittings while in the custody of the funeral director. Mr. Devitt said the main question involved was whether a dead body constitutes "property" in the eyes of the law. While in a limited class of relatively recent cases, the courts of England and of this country have held that a dead body is not "property," these cases represent the exception rather than the rule.



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CHANGES IN CASUALTY FIELD

Central Surety to Open Chicago Claim Department

Lester A. White has been appointed manager of a claim department which is to be opened in Chicago May 15 by Central Surety. He has been with the Indemnity of North America claim department in Chicago for 15 years, much of the time as assistant to the manager. Mr. White will be associated there with Manager W. A. Anderson of the Central Surety's Chicago office, which has been operated for more than five years.

Morris Continues Legal Work

Previously the claims of Central Surety in Chicago have been handled through J. J. Morris, attorney, who will continue to handle the legal work of the office.

Mr. White is an attorney and a member of the Illinois and Chicago bars. He will handle all casualty lines, and fidelity and surety claims as well.

Stewart Resigns as Mass. Bonding Manager in Ohio

CLEVELAND—Charles F. Stewart, Ohio branch manager of the Massachusetts Bonding for the past three years, has resigned. His future plans have not yet been announced.

Before becoming Ohio manager, Mr. Stewart was assistant branch manager for Massachusetts Bonding in St. Louis, and prior to that he was with Travelers for several years.

He has been active in association affairs, being president of the Ohio Association of Casualty & Surety Managers and of the Cleveland Accident & Health Association.

Lowe Opens Coast Office

LOS ANGELES—T. P. Lowe, resident manager of the Pacific department of Anchor Casualty of St. Paul, recently admitted to the state, has opened his office in 501 Board of Trade building. He will begin development of the field following the convention of the National Association of Insurance Agents at Oakland.

Later he plans to open a service office in San Francisco. The company already is represented in Seattle and Portland on a general agency basis.

Mr. Lowe for the past nine years has been state agent in Minnesota.

Sherman N. Y. Bond Head

A. W. Sherman, who has been special agent of Glens Falls Indemnity in Minnesota, has been transferred to the New York office as head of the bond department. J. H. Dale, in the claim department in Minneapolis, will also take over the field work.

New Coast Claims Head for Commercial Standard

L. H. Angell is the newly appointed claims manager of the Pacific Coast department of Commercial Standard, succeeding Paul Barr. Mr. Angell was formerly agency superintendent for the department.

J. F. Walton has been promoted to manager of the accident prevention department. He has been succeeded in the Kansas City territory by Don Townsend.



L. H. Angell

Zurich Transfers Blunt to N. Y., Employs Field Man

Ira Blunt, who has been a field assistant in the Philadelphia branch of Zurich has been transferred to the New York office and will work in northern New Jersey. Mr. Blunt spent five years as an underwriter and field man with Aetna Casualty and in 1928 went with Metropolitan Casualty as a field man. After that he was with Schiff-Terhune in New York City and went with Zurich in 1938.

Ian Garriques has been transferred from Philadelphia to Syracuse, N. Y., where he will handle the western part of the state. Mr. Garriques started with Liberty Mutual in Baltimore. After a short time he went with American Mutual and became a sales supervisor in Baltimore, Pittsburgh and Philadelphia. He had been doing special work in Philadelphia.

Eastern New York State will be taken care of by L. F. Bradford, who has just been employed by Zurich this week. Mr. Bradford has been in the Albany office of the Employers group since 1937. He will work out of Albany.

Sloan Gets Utilities for Texas

Sloan & Co., San Antonio, Tex., have been appointed Texas general agents for the Utilities of St. Louis.

COMPENSATION

Radical Increases in Longshoremen Act Amendment

WASHINGTON—Disturbed at the drastic boost in benefits and the wide-open occupational disease provisions in the bill introduced into congress to modify the workmen's compensation act covering longshoremen and harbor workers, employers of this type of labor have asked for a hearing. The benefits are so radically raised that it is believed that this fact alone will militate strongly against the bill's chances of passage.

The bill would have no effect on the conflict of jurisdictions which frequently arises when a worker is killed or injured under circumstances tending to place him under both the federal act and the compensation act of a state.

Under the bill civilian employees of the United States are no longer excluded from the act, as heretofore. The measure applies to all persons employed on docks, wharves or on land to load, unload or repair vessels engaged in interstate or foreign commerce. Under the present act such employments, as to any vessel under 18 tons net, are excluded.

Under the amendment, the act would cover any injury or death arising out of employment or to which the employment contributes. The present act applies only to accidental injury or death arising out of and in the course of employment.

O. D. Cover Wide Open

The amended act would apply to any disease or infection which arises out of employment or to which such employment or injury contributes. The present act covers only such occupational diseases or infection as arises naturally out of employment or as naturally or unavoidably results from accidental injury.

Claim for compensation may be filed within two years after injury results in disability or death, except that if compensation has been paid, claim may be filed at any time after last payment. The deputy commissioner may permit the filing of a claim within three years after the last permissible filing date

under that provision, if in the interest of justice. Under the present act, claim must be filed within a year after injury, death or last payment.

Maximum weekly compensation is increased from \$25 to \$30, and minimum is increased from \$8 or full wages to \$15 or full wages. The maximum limitation of \$7,500 is repealed.

Increases All Along Line

For loss of an arm, the period of compensation is increased from 280 to 400 weeks if lost at shoulder, or 340 weeks if lost at or above elbow. Corresponding increases are made in the periods of compensation for other specific injuries. The maximum compensation for disfigurement is increased from \$3,500 to \$5,000. In case of death from cause other than injury, compensation on account of specific injuries is payable to children irrespective of their age, instead of only to children under 18, as at present.

Rate of compensation to dependents is increased.

Compensation is payable from the date of disability where injury results in disability for more than 21 days, instead of 49 days, as at present.

Employer is liable for expense of medical aid, etc., which may be required, in all cases, instead of only upon employee's request, as at present. Provision is newly made for establishment of panels

of qualified physicians, surgeons, etc., authorized to render medical care under the act, and to fix minimum charges and fees. Employee may select any physician from such panel, and may change his physician under rules of the commission.

There are new provisions as to medical examinations, method of payment and proceedings to collect, appeals, modification of agreements and awards, where injury is caused by third party, posting notices, penalties, attorneys' and physicians' fees, prevention of injuries. The commission is required to direct the vocational education and training of widows, dependent children, grandchildren, brothers and sisters of employees killed as a result of injuries.

Convict Attorney in Accident Cases

LOS ANGELES—Bingham Gray, attorney, who was convicted by a jury on seven counts of perjury and subornation of perjury in connection with his activities in accident cases, was denied a new trial and was sentenced to one to 14 years on each count, the sentences to run concurrently. Gray served notice of appeal to the higher courts. The California State Bar investigated his activities and inaugurated the prosecution through the district attorney's office.

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ASSOCIATIONS

Quiz Session in Milwaukee

MILWAUKEE — Theodore Johnson of Robert R. Elsner Co. agency, newly elected president of the Milwaukee County Board of Casualty & Surety Underwriters, and other new officers will be in charge of the spring meeting April 24. Fourteen new members will be introduced by Carter Baker of Leedom, O'Connor & Noyes, chairman of the membership committee. Motion pictures of the Tacoma bridge disaster will be shown. A question and answer period on all lines of casualty and surety underwriting will be conducted by a board of experts consisting of Robert Phillips, U. S. F. & G.; W. M. Wolff, Fidelity & Deposit; John D. Rogers, Continental Casualty, and Robert Notestine, Travelers.

Consider Compound Fractures

The Casualty Adjusters Association of Chicago heard an interesting talk on compound fractures at the monthly meeting delivered by Dr. Carlo S. Scuderi, associate of the orthopedic staff Cook County hospital and professor of orthopedics at the University of Illinois medical school. His talk was illustrated with colored movies of compound fractures. Dr. R. R. Duff, industrial surgeon, showed colored sound movies taken on his 33,000 mile trip through Hawaii, Japan, Australia, New Zealand and the Malayan Peninsula. The next meeting will be May 21. Plans are being made for the annual golf party to be held near the middle of June. H. E. Crosley, president, presided.

Conclude Indiana Lecture Series

S. J. Whiteman, Indianapolis manager of Travelers Indemnity, is the fourth and final speaker in the series of educational talks sponsored by the Indiana Casualty & Surety Managers Association, on the new comprehensive liability policy. He spoke in Indianapolis Monday, and Evansville Wednesday. He will speak at Fort Wayne April 30 and South Bend May 1. The committee in charge has been encouraged to believe it will be worth while to put on a more extended course beginning next fall but no definite decision has been made.

Leslie, Fay in Portland, Ore.

William Leslie, general manager National Bureau of Casualty & Surety Underwriters, and Rollo E. Fay, Pacific Coast manager, will be featured speakers at a meeting of the Casualty Insurance Association of Oregon in Portland April 25. They also will meet with the Oregon advisory committee at breakfast that day.

PERSONALS

Lew H. Webb, senior partner of Conkling, Price & Webb, Chicago, will attend the annual meeting of the U. S. Chamber of Commerce. He is one of the delegates from the Chicago Association of Commerce. This year he will act as a national counselor, representing the National Association of Casualty & Surety Agents, of which he is vice-president. Mrs. Webb will accompany him.

Before his return, Mr. Webb will visit the home offices of Fidelity & Deposit and London Guarantee.

Ogden Davidson, United States manager of Accident & Casualty, visited the Pacific Northwest while on a tour of inspection of the coast field, the first since he took over the management several months ago. He spent several days in Seattle conferring with Verne A. Peterson, branch manager, and then went on to Portland, in company with Mr. Peterson, for a stay of several days. He

is now spending some time in San Francisco and will return east via Los Angeles, Dallas and St. Louis.

Mrs. Sarah Dickinson Craig, wife of Vice-president M. A. Craig of Globe Indemnity, died at her home in Cranford, N. J., following a three months illness. During her 24 years in Cranford Mrs. Craig was an active figure in its social, educational and religious life.

A. G. Knudson, 62, head cashier and auditor for the London Guarantee & Accident in Chicago, died. He had been with the London 47 years.

Va. Reduction on P. L. and P. D. Averages 3.2 Percent

RICHMOND—Although new rates for liability and property damage rates on private passenger and commercial cars in Virginia, approved by the corporation commission effective May 1, make a slight increase for property damage to private passenger cars, there is an overall reduction on both liability and property damage of 3.2 percent from 1940 rates. Rates for commercial cars are decreased on the average 4.4

percent except for an increase in Norfolk. Nansemond county provides the only exception to private car reduction. The commission's order approved with some changes revisions proposed by stock and mutual companies through their rating bureaus.

In Richmond, for example, the revised rates for \$5,000/\$10,000 liability and \$5,000 property damage will be: Private passenger cars, \$20.20 against \$21.55 and \$7.15 against \$7.

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LEGISLATION

Mutual Men Attack Surplus Measure

BOSTON—The bill of the Associated Insurance Agents & Brokers of Boston to limit the surplus of mutual casualty companies was declared "destructive legislation aimed to injure two strong competitors of the stock companies, the Liberty Mutual and American Mutual Liability," by representatives of those two companies before the Massachusetts legislative committee.

Leslie Hemry, American Mutual Liability counsel, declared a joker in the bill would prevent companies from ever increasing their surplus above the 25 percent of the average premium income, once the present higher surpluses were diminished. He said Liberty Mutual today has a surplus of 55.6 percent of its premium income and American Mutual Liability 47.7 percent, or an average for the two companies of 52.7 percent, as compared with the average of 84.4 percent for all the stock casualty companies, some of the latter having percentages as high as 148, 178 and even 207 percent. He then quoted surpluses of stock fire companies running as high as 300 percent and even 500 percent. He maintained that if stock companies needed such high surpluses the surplus maintained by the two mutual companies involved is not excessive.

If there were any danger of mutual companies reducing their number of policyholders and cashing in the surplus, there is also a danger to policyholders of stock companies when they allow stockholders to pile up tremendous surpluses out of the policyholder's money, Mr. Hemry declared.

The limit of 25 percent of annual gross premium income, or \$1,000,000, whichever is greater, for a surplus for such companies as the Liberty Mutual and American Mutual Liability, he declared was obviously a discrimination tending to weaken the company as a going concern and put on a restriction which no other state in the country provides. The bill would decrease the Liberty Mutual surplus of \$20,000,000 by a half and equally affect American Mutual Liability. He argued that a minimum surplus requirement was more important than a maximum restriction, as no company can be too strong.

Warns of Next Depression

J. W. Cronin, Liberty Mutual counsel, said there is not a scintilla of honesty in the bill and that if made into law not a single mutual casualty company would be able to get through the next big depression. He cited two stock companies which failed in the last depression through diminished surpluses. He argued mutuals need larger surpluses than stock companies as they have no capital to fall back on. Liberty Mutual has had earned premiums of some \$427,000,000 since the start and has paid \$85,000,000 in dividends. The dividends about equalled the amount earned from writings and the investment earnings made up most of the surplus of today, some \$27,000,000 of which had come into the state.

G. W. Barnes, American Mutual Alliance and the Associated Industries of Boston, said he spoke for the policyholders of the companies, many of them in the Associated Industries, in not wishing to have the companies weakened by decreased surpluses.

Representatives of the Mutual Boiler of Boston, Federal Mutual, Lumbermen's Mutual, Associated Merchants Casualty, Hardware Mutual, and Employees Mutual also opposed the bill.

Minnesota Adjournment This Week

ST. PAUL—Only a few insurance bills await action before the Minnesota

legislature adjourns this week and chances of passage are slim. One is the measure putting teeth in the drivers financial responsibility law. The bill providing for survival of cause of action is still hanging fire and may get through. The agents' qualification bill which came in late appears buried in committee files.

Fearful of Fleet Bill Change

SAN FRANCISCO—A recent amendment to the "fictitious fleet" bill before the California legislature, is causing considerable concern, particularly among company executives and some brokers and agents. The original provision that the measure did not prohibit the granting of a special rate on collision insurance to members of motor clubs, which clubs possess a valid unrevoked certificate of authority, has now been amended out of the bill. Passage of the bill may present a serious question regarding the further right of the National Automobile Club to continue to allow a 10 percent discount to members on collision insurance.

The bill has been given a "do pass" recommendation by the assembly committee on insurance. The only amendment accepted by that committee provides that the insurance commissioner shall have no power to make rates, and cannot cancel a certificate of authority for violation of the bill without giving notice to the carrier and holding a hearing.

Pennsylvania—A bill which would give the insurance commissioner power to modify compensation rates, schedules and regulations of the rating bureau is pending before the senate insurance committee. It would give employers required to carry compensation insurance the right to appeal rates, schedules or regulations to the court.

Michigan—Senator Blondy of Detroit has supplemented his original compulsory automobile insurance bill with a bill to set up an assessment-plan insurance bureau within the insurance department to provide coverage for motorists not wishing to patronize established carriers. As Chairman Hammond of the senate insurance committee had termed his state insurance proposal "impossible," Blondy obtained reference of his measure to the state affairs committee. Foes of the bill, however, are confident that committee will pigeonhole it.

Modification of the Michigan guest passenger act to ease somewhat the present bars to suit against motorists by guest passengers is sought in a bill introduced in the senate. "Gross negligence" is more specifically defined.

Colorado—The legislature has adjourned. A bill requiring trucking firms to post surety bonds in guarantee of payment for road taxes and penalties instead of cash bonds was signed by the governor, as well as an act strongly urged by Commissioner Kavanaugh, which requires that local mutual liability companies must deposit \$75,000 with the insurance department before writing workmen's compensation insurance. It also prohibits companies from doing business until at least 20 employers, employing not less than 2,500 persons, shall have requested and agreed to take insurance, in writing.

Wisconsin—Liability insurance would be required for two years after restoration of the license of any driver convicted of manslaughter, gross negligence, hit and run driving, felony with a motor vehicle and drunken driving, under a bill revising and strengthening the Wisconsin driver's license law.

Oklahoma—The senate passed a bill providing that the bank commissioner instead of the insurance commissioner approve companies writing fidelity bonds for banks.

Florida—Both houses have passed a bill permitting surety companies to deposit \$75,000 in a state or national bank rather than with the insurance department, the present requirement. Last year the governor vetoed a similar bill. A compensation bill provides that in

case of total disability adjudged to be permanent, 60 percent of the average weekly wage shall be paid, not to exceed 350 weeks. This is a 10 percent increase. The bill also requires the employer or insurer to pay attorney's fees of employee's winning contested claims.

Nebraska—The bill requiring all assessment health and accident companies to maintain a \$10,000 loss reserve has been signed by Governor Griswold.

Ohio—The house has passed a bill prohibiting domestic insurance companies from doing business in any other state or territory without the authority of such other state or territory.

Texas Reduces P. L. and P. D. Rates in Some Classes

AUSTIN, TEX.—The Texas department has issued an order providing a 10 percent reduction in rates of insurance for the heavy truck classification in all territories in Texas in connection with bodily injury and property damage coverages effective April 15. No reduction was made in the medium and light classifications.

Within the past year, a general reduction has been made on all truck classifications.

New reduced rates and a new endorsement form were issued at the same time to take care of liability for bodily injury and property damage while officers, enlisted men, and other governmental employees are operating cars owned by the government and where the person does not own a personal car. A charge of 50 percent of the primary car basis rates is made for this coverage. It protects only the interest of an employee of the government or governmental subdivision while operating or riding in a private passenger or commercial automobile, if the automobile is owned by the government or subdivision.

Texas also has liberalized several non-ownership forms to give the employer greater protection.

Aetna Life Group Starts Film Series on Sales

A new type of motion picture presentation by Aetna Life companies had its first showing at the midyear meeting of the National Association of Insurance Agents at Oakland, Cal. "Say It In English" shows the need for speaking the prospect's language and is one of a series of sales-training "shorts" soon to be released by the Aetna companies, each dealing with specific phases of sales technique. Each selling pointer is illustrated by means of "right or wrong" examples based on actual sales solicitations and filmed in synchronized sound.

To Be Shown at Agents' Meetings

This, as well as the succeeding pictures in the series will be shown under the sponsorship of the educational department of the National association at meetings of the various state agents' associations and also at the insurance schools conducted by these groups throughout the country.

Stanley F. Withe, head of the publicity department of Aetna Life companies, introduced the picture at the general session of the convention Wednesday afternoon and outlined Aetna's film program and the plan of distribution that will be followed.

Indiana Adjusters Pick Officers

INDIANAPOLIS — The following officers were elected at the annual meeting of the Indiana Casualty Adjusters Association: President, J. G. Graham, Travelers; vice-president, Edward Becker, Jr., American Automobile; secretary, M. F. Hofmeister, General Exchange.

Probate Judge Is Scheduled

CLEVELAND—H. J. Brewer, judge of probate court will address the Cleveland Surety Club May 19.



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Producer Can Certificate Class A1 Credit Renewals

Heretofore the National Bureau of Casualty & Surety Underwriters has required that the rating form be signed by the insured for all class A-1 risks whether new or renewal. The rule has been changed to eliminate the requirement of the insured's signature on class A-1 renewals, provided the agent or broker signs an information form separately for each such risk certifying that conditions warrant continuing the A-1 rate.

The new procedure also applies when such a risk expires in one bureau company and is transferred to another bureau company by the same producer, provided he signs the required form.

The classification earns assured 25 percent off. Qualifications are that he has not driven more than 7,500 miles the past year and doesn't intend to drive more than that the coming year; that not more than two adults, over 25, regularly drive the car.

Employers Liability Figure in Auto Number Corrected

THE NATIONAL UNDERWRITER regrets that in its Automobile Insurance Number on page 19 a mistake was made in calculating the ratio of Employers Liability in the table captioned "Exhibit of Auto P. L. Premiums and Pending Suits." This table showed the automobile personal injury liability premiums earned during the three year period 1938-1940 and the number of suits as of Dec. 31, 1940, in connection with policies for which the premium earned during that period. Then the ratio was developed of the number of such suits per \$100,000 of earned premiums. The figures given for Employers Liability are correct, but the mistake in the ratio does an injustice to Employers Liability. The proper ratio is 9.9 suits per \$100,000 of earned premiums rather than 21.1 as shown.

New England Committee Offers Educational Plans

(CONTINUED FROM PAGE 19)

Wherever feasible, the committee recommends that courses be so located that students within 25 to 40 miles can attend, and when this is impossible the outlying courses should be handled by small local study groups. Students should be permitted to attend the most convenient without regard to state lines. The most

desirable time will vary with the locality and must be decided by each state. The courses should be self supporting and all income derived from the source should be segregated by the association. The fee should be kept as low as possible but high enough to make the courses appreciated. Operation through a state university helps reduce expenses.

On the choice of instructors, the committee recommends that they be drawn as equally as possible from home office men, field men and agents, with adjusters and rating bureau men also being used. There are many local agents equipped by training and knowledge to do the work, most of whom need merely some guidance as to the preparation and organization of their subjects. The agents themselves get a great deal out of acting as instructors. The report recommends paying all instructors, regardless of their occupation, pointing out that insurance company employees usually have to prepare their lectures on their own time. A fee of \$10 per hour of actual lecturing is recommended, and when this is impossible the committee recommends adopting some uniform standard. Instructors should be graded by the results achieved, since many men knowing their subjects thoroughly are not good lecturers. For coordination of the work, joint meetings of instructors should be held and assignments given in the presence of all, or each instructor should be required to furnish a copy of his proposed outline to the director of the course several weeks in advance.

Necessary to Sell Schools

The schools, the report continues, will not sell themselves. They must be advertised completely, through programs or pamphlets, in which the universities will assist. Material should be distributed to all association members, home offices and field men, as well as to all agents and brokers who are not members of the association.

From the long range view, the report holds out the possibility of eventually eliminating even unqualified agents who are now licensed. It says: "Should school facilities be made available in given territory it is not unreasonable to expect the cooperation of all agency minded companies doing business in that field and recommending those schools to their agents with the proviso, at least by inference, that they are expected to qualify themselves under certain minimum standards of knowledge as to the business in which they are engaged." Within a time limit of five to ten years, the committee feels that all "agency minded companies" should decline to reappoint any agent who should not see fit during that time to attend a school or voluntarily pass an equivalent examination to prove that further schooling is unnecessary.

Seat Next to Driver Most Dangerous, Doctor Finds

KANSAS CITY—The seat next to the driver is the most dangerous spot in the automobile in case of accident and subjects the passenger to the severest injuries, according to a study by Dr. Floyd E. Straith, Detroit specialist in oral surgery, who spoke before the Kansas City Western Dental Clinic Association.

Traffic accidents are responsible for there being more scarred faces today than in the time of dueling, and 75 percent of serious facial injuries are suffered by those sitting next to the driver.

In an effort to decrease the number of facial injuries from traffic crashes, Dr. Straith and his brother, Dr. Claire L. Straith, have been working with manufacturers of automobiles to get a dashboard with no protruding instruments, which often cause more severe injuries than the windshield. Motor car companies are working along the same line.

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Special Policy Covers U. S. Arms Plants

(CONTINUED FROM PAGE 23)

ing limits of not less than \$20/40,000.

(c) Automobile liability, having limits of not less than \$20/40,000 for bodily injury and a property damage limit of \$5,000, covering all owned and rented equipment which will be used on the project.

(d) Contractors' protective liability, having limits of not less than \$20/40,000, if any part of the work will be sublet. (On cost plus contracts between the contractor and the sub-contractors, this form of insurance need not be required if the principal contractor is named as an additional insured in the sub-contractors' policies and certificates of insurance are furnished by all sub-contractors evidencing the same types of coverage required from the principal contractors.) While building contractors may obtain other coverages or higher limits than those specified the additional cost of this insurance will not be considered as building costs nor reimbursable to the contractor under cost-plus contracts.

Contractors are directed to obtain the broad form of automobile coverage known as comprehensive risk insurance, excluding collision coverage on all automotive equipment provided by the DPC which will be used in locations other than within 100 feet of the lessee's premises.

The coverage takes into account the position of the DPC as absentee landlord and vastly simplifies what would otherwise be a staggering task of checking through a great number of policies to make sure its interests were fully protected. Johnson & Higgins handled all the negotiations on behalf of the Defense Plant Corporation. The fact that such broad, simplified and satisfactory coverage has been evolved is regarded as evidence of the underwriters' desire to meet the requirements of the defense program as fully as possible.

Boilers and Machinery

With respect to boilers and machinery including flywheels, internal pressure vessels and other items of this sort owned by the DPC, boiler and machinery policies are required in whatever amount is considered sufficient by the lessee's engineer, with the concurrence of the supervising engineer, to cover loss or damage to the object itself and adjacent property owned by the corporation which may be exposed to loss or damage.

While the plan is to have all premiums paid by the lessee to the insurance carriers, the DPC recognizes that the cost of the hazard and liability coverage during the building construction period is a proper charge in the building cost and reimbursement of that portion of the premium charge which is applicable to construction will be made by the DPC. All hazard and liability policies and boiler machinery policies are to be transmitted to the DPC office for examination immediately upon receipt by the lessee.

Fixing of rates for the special comprehensive liability policy will be handled by the National Bureau on an individually rated basis. For New York state service subscribers the bureau will name rates for New York state exposures only. Rates for individual risks will be determined on submission of information on each project. The bureau's (a) rate forms should be used and should supply the name of the lessee, location of principal premises where the lessee's operations are to be performed; nature of the operations performed by the lessee in connection with the national defense program; total cost of buildings and land; total cost of machinery and equipment including installation costs; total area of buildings.

More States OK Special Filings

Filing of the special policy with state insurance departments will be handled by insurers in the usual manner. The

bureau will arrange for the filing of underwriting details with the insurance authorities in New York and other states where filings are required.

Three additional states have approved special rate filings covering national defense projects on which compensation and employers' liability insurance coverage is approved by or recommended by the federal government. They are Kansas, effective April 15; Maryland, effective April 4 and New Hampshire, effective April 2. In each state the filing provides for a 20 percent reduction in rates with a 5 percent maximum acquisition cost allowance. The 10 percent reduction filed on behalf of non-stock companies in each of these states was also approved.

Bureau rates for the DPC form are, liability: 1 cent per \$100 of cost for the first \$500,000; 1/2 cent per \$100 for the second \$500,000, and 1/4 cent per \$100 beyond \$1,000,000. For property damage rates are: 1/2 cent per \$100 for the first \$500,000; 1/4 cent per \$100 for the second \$500,000, and 1/8 cent per \$100 for \$1,000,000 and up.

Minimum premium is the minimum premium for regular owners protective.

The DPC policy embodies a number of important features to adapt it for its special purpose. It is so drawn that it covers the DPC's liability from the time the government takes title to the land, through the course of construction and thereafter, until the land and machinery are finally disposed of.

Instead of a specified location being the basis of the policy, the unit is the specified lease agreement. Consequently all equipment is covered, no matter where located. For example, a sub-contractor might have certain machinery in his own plant. This would be automatically covered. The lease agreement is made part of the policy.

The policy is drafted so as to be applicable whether the contractor is operating on a cost plus basis or a fixed price basis.

A very important feature is the automobile exclusion provision, which takes care of the DPC's contingent liability under any conceivable circumstances.

Despite the government's immunity from suits the insurer is not permitted under the policy to fall back on this immunity in case of claims, without the DPC's permission. In general the policy of government corporations has been to waive their immunity for tort liability as a matter of public policy. There is also some legal question whether the government's immunity extends to these corporations.

The policy embodies an immunity from tort liability clause which does not permit the insurer to raise the claim of immunity in the defense of suits.

Special low surety rates for the DPC, which take into account the circumstances of supervision of construction have been promulgated by the Towner Rating Bureau.

Strong Opposition to Change in Mass. Compulsory Law

BOSTON—The Boston Automobile Association stirred up a hornet's nest and demonstrated pretty effectually that the Massachusetts compulsory automobile liability insurance law is deeply in-

trenched when it appeared before the insurance committee of the legislature with a bill to repeal the law giving the commissioner the rate making power and placing it in the hands of a newly created board of appeal, and providing further for a demerit rating system.

F. W. Goodwin, registrar of motor vehicles, vigorously opposed the bill, declaring that the proposed new board of appeal, consisting of one insurance man, one representative of the motor industry and one citizen, would simply mean that the companies would make the rates. He said the extra charge placed on 4 percent of the drivers, distributed over the 96 percent of careful drivers, would not appreciably lower rates for the latter.

S. S. von Loesecke, counsel of the A.L.A., and others declared the bill meant sure sabotage of the compulsory law and also opposed it. J. W. Cronin, Liberty Mutual counsel, declared the net result would be repeal of the compulsory law and eventually a state fund.

Doctor Tells Chicago Claim Men Use of Medical Photos

The development of medical photography in the last few years has gone a long way toward protecting companies from fraudulent accident and health or workmen's compensation claims. Dr. L. R. Mellin, eye, ear, nose and throat specialist, told members of the Chicago Claim Association at their dinner meeting. Photographs are practically the only means the company has of proving when and how an injury occurred to the satisfaction of a lay jury or a commission of laymen, and the indisputable evidence offered by a camera often causes the plaintiff's doctor to admit he was mistaken, Dr. Mellin said.

As is popularly supposed, the photograph does not detect injuries or diseases, for doctors have instruments and techniques for this purpose. Rather the photograph serves to record the case in its various stages for future reference.

Turning to his specialties, Dr. Mellin said that insurance companies pay too much attention to the risk of detached retina in near-sighted persons, when the emphasis should be on all risks who wear glasses because of the serious injuries which are incurred from shattered lenses. In many head injury cases, the plaintiff will complain of dizziness, Dr. Mellin said. His complaint is usually justified, but it should be remembered that most dizziness cases show complete recovery in from six months to a year. The important thing in ear injuries or diseases producing deafness, is to determine not whether the individual can hear sounds, but whether he can articulate what he hears.

The companies need have no fear that their doctors cannot detect cases of malingering. The faker has little chance against the modern doctor, who through his tests and instruments can even ascertain the validity of a neurosis, Dr. Mellin said.

Republic of Dallas Changes Setup in Chicago

G. A. Mavon & Co., Chicago, has resigned as Cook county, Ill., manager of Republic of Dallas. Mr. Mavon is confining his fire writing to these companies: Potomac, Quaker City, Glens Falls, Dubuque F. & M. and National Reserve.

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POINTERS FOR LOCAL AGENTS

Streamlined Agency Work Held Most Desirable

W. B. Glassick of Howkins & Glassick, Hollywood, Cal., spoke before the mid-year meeting of the National Association of Insurance Agents at Oakland this week. He appeared on the program Monday afternoon in a session devoted to "Pattern for Production." His special subject was "Streamlined Agency Operation."

Net income can be increased by producing more business or reducing overhead. Lower rates and commissions and keener competition demand greater operating efficiency, Mr. Glassick commented.

The "model office" in the Hotel Oakland, through which Mr. Glassick conducted lecture tours explaining its operations, had the purpose of visualizing for agents ways of improving office methods.

The model office presented seven routine items:

1. The application. Orders written on small pieces of paper may be lost. Pertinent information may be forgotten and issuance of the policy delayed while balance of essential details is secured. Mr. Glassick recommended use of an application form, either the agent's or one furnished by the companies.

2. Proper arrangement of policies and forms so that time won't be lost hunting them.

3. Billing systems. Instead of making up invoice, ledger sheet, expiration card and line record in separate operations, the agent can save time by using triplicate or quadruplicate forms and have everything in one operation.

4. Filing systems. Two methods of filing dailies, the most important agency record, were demonstrated in the model office.

5. Claim records. Since efficient

claim service is the greatest good will builder, the agent should keep a record of claims and their progress, using a simple form.

A Collection System Important

6. Collections. A definite system for acting on delinquent accounts was recommended because many collection problems would not arise if agents didn't let delinquencies become 60 days old. Arrange a finance contract for those temporarily embarrassed financially, and they probably can buy more insurance, Mr. Glassick suggested. With those who do not have the money at all, pick up the policy and forget him.

Those who have the money but don't pay either are procrastinators, in which case a telephone call often will produce a check, or they aren't completely sold, in which a personal selling call is indicated.

"Eliminate the bad credit risk, and resell the client wavering between buying the protection and some other commodity," Mr. Glassick urged. "Arrange definite credit terms or finance contracts for those who want longer periods in which to pay. The time to do this is when the policy is issued. Above all, don't hesitate to ask for your money."

7. Proper accounting records. Every agency should know how much money is due it, how much is due the companies, new commission earned, and total expense of operation.

With premium volume up because of defense spending, and promising to grow still more, the agency should establish proper reserves in order to be prepared for the time in the future when premiums will level off and probably will decline, Mr. Glassick concluded.

Production Pattern at Oakland Meeting

(CONTINUED FROM PAGE 5)

that in addition to non-stock competition there are other factors which make it difficult for producers to realize the full fruit of their efforts. One of the most important is the lack of an organized program of selling. The ultimate answer to the competitive problem, he said, lies in better salesmanship. Good salesmanship can be developed by study and application of selling principles and developed in just as orderly a process as a study of any other profession, he contended. In insurance, he said, it is of vital importance that those in it keep abreast of all changes. As he put it, "The successful salesman found out what he could do because he developed a capacity for hard work and exerted unusual efforts in getting new sales ideas and putting them into successful operation." The foundation for the building of salesmanship, he said, is thorough study of oneself and an understanding of selling principles combined with the knowledge of insurance. There are certain qualities of personality that are required of salesmen, he said. They can be developed. Enthusiasm, sincerity, tactfulness, courtesy, cheerfulness were mentioned. Persistence, he said, wears down resistance just the same as drops of water will wear away a stone. Mr. Breckon said, "We get what we expect in this world and the persistent salesman will not be defeated by a strong sales resistance."

He urged a definite amount of time each day to set aside for the solicitation of new risks by intensive selling or extensive selling. Intensive selling

can be done with present clients, by increasing the present amount of insurance or by selling lines not now written. Extensive selling is shown by the solicitation of insurance from new prospects.

Roy A. Duffus of Rochester, N. Y., who has spoken at a number of insurance meetings, had as his subject, "What Makes the Buyer Buy." He said there is a time in every sales interview when the salesman senses that the psychological time has arrived. From then on details are discussed. Insurance, he said, is the most intangible thing in the world. The buyer generally takes little joy in its purchase. He does not understand fully what it is all about. The agent's task, he said, is to gently break the news that something unpleasant is ahead. Price enters the picture. The sale doesn't just happen, Mr. Duffus said. Back of it are service organizations, training knowledge of the business and the client's needs and the ability to interpret them all in language he understands.

Mr. Duffus said, "To close consistently we must have behind us:

1. Insurance companies, associations and boards.
2. An educational program.
3. Training and surveying of the client's needs.
4. A knowledge of unusual points in the business.
5. The willingness to properly and intelligently service the business.
6. A reputation as good citizens.

Mr. Duffus took up each one of these points and amplified it. He referred,

for example, to the various insurance organizations, their functions and outlined what they are doing for the producer.

He said there should be an insurance educational program, weekly meetings in every agency with a different member presiding each week should be held. Trade papers should be read and the important items brought to the front. Field men should be used intelligently, he added. Local or county board round table weekly noon meetings are particularly helpful. They should cover all lines of insurance and a well planned year to year program. There should be a study of effective speech, salesmanship and business letter writing. A library of insurance subjects should be built up.

Kirschner's Presentation

Mr. Kirschner, in his address, remarked that the insurance producer who confines his selling effort to personal contact exclusively is not taking advantage of production power that is made possible by the use of sales letters. Production power can be given greater impetus through the release each month of several hundred sales letters. Such letters disclose interest in prospects and pave the way for a more effective sales talk. The letters can be produced at a cost of about \$5 a hundred for a minimum quantity of 250. That means a cost of 5 cents per sales call.

The sales letter should attract attention, create interest, arouse desire and stimulate buying action. An immediate reference to the reader in the opening paragraph generally gains his attention. The story should be unfolded briefly and simply and in a manner to create interest. Plain talk should be employed rather than a technical discussion.

The letter should make it easy for the prospect to get in touch with the agent. There should be a self-addressed postage paid reply card or an indication that the agent will follow the letter with a telephone call.

Order in Office Needed

H. P. North, assistant director of the Business Development Office in New York, spoke Monday on "A Day in the Office" in the "Pattern for Production" forum. He referred to an office that he recently visited which evinced confusion and disorder, although the agent is quite meticulous in his personal appearance. He drives an expensive automobile. While he may not believe that he is suffering as the result of the appearance of his office, Mr. North said it is unthinkable that it will ever make a favorable impression on one of his customers.

Mr. North called attention to the fact that a telephone operator is one of the most important employees of an office. A girl can make or break customers so far as their dealings with a local office are concerned. "The voice of your office is of tremendous importance," Mr. North said. "In many cases it is the only contact the policyholder has with your office and his impression of you and the products you sell can be definitely influenced by the person answering your telephone." He stated that the picture of an agency which a customer takes away will be a lasting impression and might very well be the basis on which he will calculate the agent's dimensions as a business man. Those in charge of receiving callers should understand fully the importance of the impression they make on such an occasion.

Impressions from Employees

Mr. North said that everyone has at some time or other been impressed with a thorough knowledge possessed by some person in a business different from his own. Every agent, he said, should know what impression is being made by the employees of his office. He stated that management has not impressed upon those who earn their living from this business the importance of being able intelligently to represent

the business in the eyes of those of their immediate circle.

Every girl in the office, he said, should be encouraged to feel a sense of partnership in conducting the agency. There are thousands of girls, he said, in insurance offices who would be infinitely better employees if they were encouraged to shoulder a greater amount of responsibility and if they were encouraged to feel that they had a definite hand in the operations of the office.

Open Policies on War Risk Blessing to Broker, Assured

(CONTINUED FROM PAGE 4)

been specially accepted by the company prior to sailing.

Underwriters have also eliminated from war risk policies the warranty by the shipper that all shipments to Burma, India, Straits Settlements, Thailand, China, Indo-China, Asiatic Russia are not destined for the Chinese government or army. Underwriters have been permitting the waiver of this warranty for an additional premium.

Open Policy Not Available in 1917

The open policy is a development that was not available in the last war and it has greatly simplified the problem of the insured and the broker. While some open policies may be for certain limited voyages, most policies cover shipments everywhere in the world except as excluded in the policy. The policy automatically covers the shipper's merchandise as soon as it goes on the vessel. On shipments going to ports not on the published schedule of rates, the shipper frequently does not bother to find out what the current rate is unless the rate is presumably so high as to be a factor in deciding to make the shipment.

Pool a New Development

The open policy reaches its real effectiveness through the war risk pool, which was not existent during the first world war. Then it was necessary for brokers to scurry around in a frequently hectic effort to obtain necessary coverage on a large shipment. It was often necessary to pay a much higher rate on the last fraction of coverage on a given shipment than on the first portion if the vessel was carrying a cargo large enough to tax the market's capacity. In contrast to this situation, the pool has had no trouble in absorbing everything offered to it, the largest being a \$7,000,000 cargo of valuable ores from the Far East on the "Birmingham City."

The international situation facing marine war risk underwriters is vastly more complicated than it was in the first world war. The status of France and of Russia are two of the major complications but there are plenty of others which make the last war's international relations simple in comparison.

Government Pool Unneeded

So far the United States government war risk system which has been set up ready to function in case of our entry into the war has been proven unnecessary by the capacity of the cargo war risk pool. However, with the government's opening the Red Sea to American shipping it seems likely that there may be demands on the part of sailors in the merchant marine for some sort of personal accident coverage against the extra hazards of war. It would not be surprising if the government war risk arrangement were brought into the picture to the extent of providing this coverage for American seamen.

The opening of the Red Sea to American vessels also poses a problem for war risk insurers. Customarily they give a preferential rate to American flag vessels because of their presumably greater freedom from attack. Yet there is considerable question that even an American steamer would fare any better on voyages into the Red Sea than ships of any other nation.

N.F.P.A. Committee Reports Dovetail with Defense

(CONTINUED FROM PAGE 9)

pumping equipment for possible aid raid defense will be the subject of the report of the committee on municipal fire apparatus to be presented by Joseph N. Sullivan, fire chief of Utica, N. Y. This report proposes specifications for such units but calls attention to the limitations of this equipment and urges the advantages of standard fire apparatus. Trailer pumps have proved valuable in London, but they are too small to permit carrying an adequate amount of hose and tools.

The committee on signaling systems and thermostats, under the chairmanship of J. A. Neale, chief engineer of Underwriters' Laboratories, will present proposed amendments to the standards on municipal fire alarm systems covering details of the connection of telephone lines to fire alarm headquarters and other features.

Protection of Records

The committee on protection of records, under the chairmanship of M. L. Carr, director of the Pittsburgh Testing Laboratory, will present the text of a pamphlet addressed to business executives on protection of records against fire. This is particularly important in defense industries. Included is a schedule for estimating the probable fire severity in any given location and selecting suitable protective containers accordingly.

The committee on special extinguishing systems, under the chairmanship of A. L. Cobb of the Eastman Kodak Company will present a report dealing with carbon dioxide fire protection equipment, inert gas for fire and explosion prevention, and foam extinguishing systems. The report calls attention to the development of new types of foam which have a broader application than those previously available and which are suitable for use on alcohols and certain similar liquids which have not heretofore been considered susceptible of this form of protection owing to the solvent action of the alcohol on the foam.

The present increased interest in tanks as an auxiliary source of water supply has led the committee on tanks to prepare a report proposing many modifications of the existing standards, particularly as to welding. Welding is considered adequately reliable for the construction of water tanks for fire protection purposes, but it is essential to surround this process with safeguards. These are covered in detail. The committee chairman is A. L. Brown, chief engineer of the factory mutual companies.

Detroit Committees Named for Commissioners Meeting

Committees have been named to cooperate with E. P. Berry, host commissioner, and C. C. Bowen, president of Standard Accident, general chairman, for the meeting of the National Association of Insurance Commissioners in Detroit, June 9-11.

The chairmen of the committees who are arranging the convention are: Finance, W. G. Curtis, president National Casualty; entertainment, David Broderick, president D. F. Broderick, Inc.; banquet, G. K. March, president Detroit Fire; program, W. E. Otto, president Michigan Mutual Liability; registration, Raymond Waldron, vice-president Detroit F. & M.; publicity, C. G. Sedan; auto transportation, J. J. Ramsey, general manager Detroit Auto Inter-Insurance Exchange; hotel, L. J. Treanor, vice-president Michigan Life; golf, J. T. Reault, Maccabees, and reception, G. W. Carter, president Detroit Insurance Agency.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Ia. Fire Premiums, Loss Ratio Higher

DES MOINES—Iowa's fire insurance loss ratio increased 3 percent in 1940, from 40.3 to 43.3, with net premiums increasing \$1,137,979, from \$14,980,003 to \$16,118,062, while net losses incurred increased \$956,666, statements filed with the Iowa department show.

Stock premiums were \$11,124,937 compared with \$10,584,474 in 1939, a 5.2 percent gain, and losses \$5,003,395 as against \$4,590,807; loss ratio 44.8 against 43.3.

Mutual premiums increased about 15 percent, from \$4,395,609 to \$4,993,125 with losses incurred \$1,453,524 against \$1,997,602, loss ratio increasing from 33 to 40 percent.

Stock companies with total premiums over \$200,000 were:

Company	Net Premiums	Net Losses
Hartford Fire	\$769,080	\$380,433
Home, N. Y.	712,933	361,904
National, Conn.	426,023	150,112
Aetna Fire	339,907	128,924
Continental	327,890	130,057
Fireman's Fund	297,094	90,521
General Exchange	261,326	144,923
American, N. J.	248,313	98,052
Great American	236,189	76,639
Automobile	234,058	87,609
Travelers Fire	230,147	107,140
St. Paul F. & M.	228,683	95,947
Phoenix, Conn.	220,888	82,628
Springfield F. & M.	218,376	88,605
Security, Ia.	207,114	62,615
Northwestern F. & M.	206,221	74,086
Firemen's, N. J.	200,354	74,479

Restrict Fire Department Service Charges in Ohio

COLUMBUS—The Ohio Inspection Bureau has restricted insurance of fire department service charges to 10th class localities. Some agents have been writing the coverage on property in lower class localities.

The insurance, written at the fire rate, reimburses the property owner for charges under arrangement with a fire department paying for services in responding to fire calls on the property, but the property is supposed to be in a locality without organized fire protection.

Restriction to 10th class is included in a clause which now must be used in effecting such coverage.

Iowa 1752 Club Elects

R. J. Kent, special agent of Western Mutual of Des Moines, was elected president of the Iowa 1752 Club at its annual meeting in Des Moines. E. C. Miller, Farm Union Mutual Auto, was named vice-president; C. F. Perdue, Square Deal Mutual, secretary; and F. W. Letts, Town Mutual Dwelling, treasurer.

Turkey Insurance Suit in Iowa

SPENCER, IA.—A suit over turkey insurance as a result of the Armistice day blizzard has been filed here by Mrs. Hannah Larson against the National of Hartford on a \$1,000 policy.

The turkey raiser maintains the tornado and wind policy covered the death of her birds in the storm. The company contends the birds died of freezing or suffocation and were not covered by the policy.

Third Generation in Wichita Firm

F. R. Little will become secretary of the Wichita Loan & Trust Co., Wichita, Kan., May 1, being the third generation of Littles in Wichita's oldest agency, established in 1870 by his

grandfather, the late Judge W. C. Little. His father, F. W. Little, is president and E. A. Little, an uncle, is treasurer.

Awards at K. C. Meeting

KANSAS CITY—At a joint meeting of the Insurance Agents Association and the Casualty & Surety Underwriters Association, April 25 awards will be made to the fire department, fire patrol, and police department for life saving and crime prevention. Preston Dobbin is chairman of the agents association committee which is planning the program to tie in with the National board celebration.

The Insurance Agents Association is planning to expand its public relations activities, including fire and accident prevention program, by use of newspaper advertising and otherwise.

Ohio Regional at Portsmouth

A meeting of Subdivision No. 1 of District 2 of the Ohio Association of Insurance Agents was held in Portsmouth under the auspices of the Portsmouth Insurance Board. Simon Lehman, president, and Orla Morgan, secretary, were in charge. Thomas M. Lynn, Zanesville, trustee of the second district, talked on association matters. The former trustee for the district is a resident of Portsmouth, W. C. Hazelbeck, and he did much to make the meeting a success. The main address of the evening was by V. G. Martin, executive secretary Ohio association. Speakers were introduced by C. B. Plummer, field representative of the association. The next sub-division meeting will be held at Zanesville April 30 and will be followed by a four-county meeting at Marietta May 9.

Plaque for Ohio Farmers Veterans

In honor of their 25 or more years of representation Ohio Farmers this week is presenting to 14 agents in Indiana bronze replicas of the company's trademark, "The Old Man on the Fence." Periods of representation by these agents range from 25 to 44 years, with a total for the group of 476. Agents honored are:

Donald D. Foster, Boswell; Clyde W. Bilbush, Bristol; Jay Goris, and Harry M. Sniderman, Lafayette; A. C. Hassmer, Lawrenceburg; S. C. Sackett, Ligonier; W. H. Shultz, Middlebury; W. O. Wehrly, Milford; J. W. Kirkpatrick, Muncie; Anna Jamieson and Al Williamson, Rushville; L. E. Greenan, South Bend; R. H. Shepherd, Terre Haute, and Mary Harrah Smith, Wolcottville.

Girard Dodge County Speaker

THERESA, WIS. — The Dodge County Association of Insurance Agents held its monthly dinner meeting here, attended by members from six cities in this area. Harvey Girard, Milwaukee, state agent Providence Washington, spoke on "Operating a Local Agency," followed by a lively discussion by the agents attending.

Minnesota Regional Groups Meet

Frank S. Preston, executive secretary Minnesota Association of Insurance Agents, spoke at a meeting of the Central Minnesota Agents Regional Association at Little Falls.

W. J. Cassidy, Minnesota-Dakota manager hail department of the Home, discussed hail insurance at a meeting of the West Central Agents Regional Association at Montevideo, Minn. The

next meeting will be at Holloway May 20 with Lyle Smith in charge.

Mack Is Toledo Speaker

TOLEDO, O.—William Mack, field assistant Travelers Indemnity, discussed the new comprehensive public liability policy at a luncheon meeting of the Toledo Association of Insurance Agents Tuesday.

NEWS BRIEFS

Bertha Sleder of the Seitz agency discussed the new comprehensive automobile liability policy at the April meeting of the recently organized Insurance Women of Salina, Kan. G. L. Hampton, Phoenix of Hartford state agent, Wichita, will talk on "Coinsurance" May 14. The annual meeting is scheduled for June 11.

In reporting the figures of the leading fire insurance companies in Nebraska last year an error was made in giving National Liberty credit for writing \$305,517 in the state. That is the figure of National Fire of Hartford. The premiums of National Liberty were \$18,808.

The Interstate Mutual Insurance Agency of Mansfield, O., has changed its name to Lumbermen's Mutual Insurance Agency. The officers are virtually the same as those of Lumbermen's Mutual Insurance Company of Mansfield. The agency has branch offices at Akron, Cleveland, Columbus, Toledo, Detroit, Charleston, W. Va., Huntington, W. Va. and Lexington, Ky.

Commissioner Johnson will be the guest of honor at the next meeting of the Twin City Fire Adjusters Club early in May.

Mrs. Ruby Mercer McCoy, partner in the Mercer Loan & Insurance Co., Cameron, Mo., until 12 years ago, has repurchased a partnership and is active in the agency's management with S. D. Thompson.

Among Wichita insurance men on the annual "good-will tour" of the Wichita chamber of commerce leaving May 4 are H. A. Blinn of Wheeler, Kelly, Hagney and Charles Harrison of Dulaney, Johnston & Priest.

W. H. Moore, Central Kansas Adjusting Company, spoke at the April luncheon meeting of the Insurance Women of Wichita on handling of claims. Nick Kleber, L. & L. & G. state agent will discuss "Insurance Changes" May 8.

B. J. Weldon of Dulaney, Johnston & Priest has been elected president of the Wichita Association of Credit Men, the first insurance man to hold the office.

R. E. Vernor, Western Actuarial Bureau, will speak at the convention of the Southern Wisconsin and Northern Illinois Firemen's Association at Galena, Ill., May 22.

Delegates of the Insurance Women of Lincoln, Neb., to the national convention at Nashville next month will extend an invitation to meet in 1942 at Lincoln. H. M. Vaisden of Omaha discussed "Bonds" at the last meeting.

The Kansas City, Kan. Board has set up a publicity committee, headed by Mrs. El Freda McCullough Murray.

A. A. Wildman, local agent of Springfield, O., has purchased the Harry R. Harford & Co. agency, which hereafter will be operated as Harford, Wildman & Co.

Carl Behnke has taken over the O. C. Behnke agency, Sheboygan, Wis., following the recent death of his brother.

Loula Mogensen, local agent of Racine, Wis., filed a petition in bankruptcy in federal court in Milwaukee, listing liabilities of \$87,563 and assets of \$61,055.

C. F. Whisman has opened an agency in Middletown, O.

J. M. Jewell has purchased the agency of the late C. G. Smith at Reynoldsburg, O.

Paul Shea has purchased the F. C.

Stillings agency at Milford Center, O. He has been with the agency for some time.

John Westervelt has sold his agency at Oberlin, O., to G. S. Dudley.

L. J. Hinton has opened an agency in Barberton, O. He formerly was with the J. A. Bishop agency and at one time was with Metropolitan Life.

Robert Duncan, Sheboygan, Mich., has purchased the William Childs agency from Mrs. Childs, who has operated it since the death of her husband.

SOUTH

Mutual Agents in South Plan Five-State Organization

BIRMINGHAM, ALA.—Action looking toward the organization of the Southeastern Association of Mutual Insurance Agents was taken at a five-state conference of mutual fire and casualty agents here.

A committee to present the matter for approval to each of the five state associations was appointed by T. Ray Schultz, Birmingham, who acted as conference chairman. Members of the committee are T. E. Wheeler, Birmingham, Ala.; J. A. Avery, West Point, Ga.; J. W. Barker, Nashville, Tenn.; LaMar Thistlewhite, Fort Lauderdale, Fla., and A. J. Kossman, Greenville, Miss. It is not the plan for the new organization to supplant the state associations, but it is expected that state conventions will be held each year in connection with the southeastern meeting for which a much better program can be arranged.

Can't Sell on Price Only

Both C. M. Westbrook, president, and P. J. Baldwin, executive secretary, National Association of Mutual Insurance Agents, were on the program. Speakers generally stressed the point that mutual agents who are selling price only had better improve their methods as the spread between stock and mutual rates will be gradually reduced in the next few years. President Westbrook predicted that the south will be the battleground as stock companies move toward the issuance of participating policies.

Ambrose B. Kelly, counsel for American Mutual Alliance, said stock companies' business increased about 10 percent in 1940 as compared with 7 percent for the mutuals, but that this was due largely to the increased ocean marine and motor vehicle coverage written by the stock companies. He said the mutuals had formed a cargo pool to handle suitable long haul truck coverage, but that the experience for the first year was unfavorable.

Mr. Kelly referred to the development of cooperation of mutuals and stock companies, especially in the casualty field in the promulgation of uniform policies and in running down fraudulent claims.

Secretary Baldwin said the national association doubled its membership in 1940 and that there are now nine states associations of mutual agents.

John L. Train, president of Utica Mutual, spoke at the banquet.

Form Va. Tri-County Board

A tri-county board embracing agents in Greensville, Brunswick and Mecklenburg counties, Va., has just been organized with W. H. Pearson, Lawrenceville, president; J. T. Everett, Emporia, vice-president; Charles Crowder, South Hill, secretary-treasurer. Samuel Bigelow, manager Virginia Association of Insurance Agents, aided in setting up the organization on a trip to that territory last week. This increases the number of boards in the state to 16. It is the first county board, all others being city boards. It is planned to or-

ganize other county boards in different sections of the state.

Virginians Confer with Girard

A committee representing the Virginia Association of Insurance Agents was in Newark last week conferring with officials of the Girard Fire & Marine with reference to agency matters in Richmond. Those on the committee were Benjamin B. Burroughs, Norfolk, president of the association; E. T. DeJarnette, Richmond, vice-president; and J. T. Alsop, Richmond.

Atlanta Leaders' Business

ATLANTA—Fire insurance premiums written by the 10 leading agencies in Atlanta in 1940 were: Whitner & Co., \$124,897; Oberdorfer Insurance Agency, \$122,877; Lipscom-Ellis, \$114,811; Dunlap & Co., \$109,230; Haas & Dodd, \$97,521; Dargan, Whittington & Conner, \$79,416; Dickey-Mangham, \$71,249; Spratlin, Harrington & Thomas, \$65,158; Joseph Lazear, \$53,829; Williams, Meyer & Ansley, \$47,961.

Exchange Honors Its Members

JACKSON, TENN.—The Jackson Insurance Exchange is exploiting its membership with a series of quarter-page "ads" in the local daily paper, each featuring the personnel of an exchange member. The first "ad" shows a large

cut of Miss Sydney Bumpus of the W. L. Bumpus agency.

Lapse Arkansas Capitol Insurance

LITTLE ROCK—For lack of an appropriation, the state of Arkansas will allow \$500,000 of fire and tornado coverage on its multi-million dollar capitol building to lapse July 1. In approving an appropriation bill, Governor Adkins struck out an item of \$2,300 for premiums. Several minor fires have occurred in the capitol and a high wind six years ago ripped off a part of its roof.

NEWS BRIEFS

C. O. Sawtelle of the Sawtelle, Cary & McAllister agency has been appointed chairman of the fire prevention committee of the San Antonio chamber of commerce. W. W. McAllister of the same agency has been appointed national councillor of the United States Chamber of Commerce.

A. J. Anderson of the special service department of Home in New Orleans was married to Miss Roberta Fisher of Wichita Falls, in Monterrey, Mexico.

Stuart Ragland of Richmond, past president of the Virginia Association of Insurance Agents, has been given the silver beaver award in recognition of 25 years' service as a scoutmaster in Richmond.

Convention Dates

April 23-26, American Mutual Alliance, White Sulphur Springs, W. Va., Greenbrier Hotel.
April 24-25, Insurance Accounting & Statistical Association, Chicago, Edgewater Beach Hotel.
April 28-May 1, U. S. Chamber of Commerce, Washington, D. C.
May 4-6, North Carolina Association of Insurance Agents, Pinehurst, Carolina Hotel.
May 5-6, Insurance Division, American Management Association, Hotel Astor, New York.
May 6-7, Nebraska Association of Insurance Agents, Omaha, Fontenelle Hotel.
May 8-9, Alabama agents, Birmingham, Tutwiler hotel.
May 9, Pacific Board, Del Monte, Cal.
May 12, Vermont agents (mid-year), Burlington Hotel, Vermont.
May 12-13, New York Agents, Syracuse Hotel, Syracuse.
May 12-13, Indiana insurance school, Bloomington.
May 12-14, National Association Independent Adjusters, Dallas, Baker Hotel.
May 12-16, National Fire Protection Association, Toronto, Royal York Hotel.
May 13, Inland Marine Underwriters Association, Hershey, Pa., Hotel Hershey.
May 14, Insurance Div., Natl. Assn. of Credit Men, Jung Hotel, New Orleans.
May 14-16, Texas Association of Insurance Agents, Dallas, Adolphus Hotel.
May 15, Ohio agents (mid-year), Columbus, Nell House.
May 15, Insurance Advertising Conference, New York, Roosevelt Hotel.
May 15-16, Casualty Actuarial Society, Trinity College, Hartford, spring meeting.

from the insurance committee of the assembly after a provision exempting the National Automobile Club was deleted—thus setting up new opposition against the measure. However, the California association still is strongly in favor of the bill and feels that the deletion of the provision was probably "inspired" in order to create new opposition.

C. G. Appleton of Fresno, chairman of the adherence committee for the declaration of guiding principles, reported that this activity is proceeding effectively but is of a nature that requires a certain amount of "policing" and consistent sponsorship and stimulation. He said that most of the signatory companies and offices are cooperating with the program.

Page Heads Defense Committee

SAN FRANCISCO — Charles R. Page, president of Fireman's Fund, has been appointed chairman of the fire committee of the San Francisco civil defense council. Other members of the committee are J. W. Stevens, National Board, vice-chairman; Jack Helms, improved risk department Fireman's Fund; F. W. Sullivan, vice-president Firemen's group; W. S. French, French & St. Clair, chairman Society of Insurance Brokers; Thomas Larke, Jr., broker and chairman disaster relief commission, American Red Cross; C. A. Craft, president Pacific Board; Bert Levitt, insurance attorney; J. M. Mendell, London Assurance; Loren Bush, chief engineer Pacific Board, and H. J. Wilson, Associated Oil Company.

Among the objectives of the committee is a program for enlarging the San Francisco fire department both in personnel and equipment and also to stimulate public interest in fire prevention and extinguishment.

Fifth Generation Stebbins

DENVER—The firm of Cobb & Stebbins is greeting the fifth generation of the Stebbins family. The new arrival, a five-pound boy, was born to Mr. and Mrs. Alfred Stebbins. His father is special agent for the agency, his grandfather, Leonard Stebbins, is active in its management and the great-grandfather, H. F. Stebbins, is retired.

Send Out Renewal Applications

SAN FRANCISCO—Fire and casualty agents, solicitors and brokers in California are receiving their license renewal applications from the insurance department. These applications must be completed and returned prior to May

31 or the licensee is penalized. Should he fail to make return prior to July 31, all right of renewal is forfeited and the licensee must qualify as a new applicant.

Vancouver Officers Reelected

The Vancouver (Wash.) Insurance Agents Association has reelected Harry R. Porter, president; G. E. Lee, vice-president; B. J. Vaughan, treasurer, and Mrs. L. C. McCoy, secretary.

NEWS BRIEFS

The Insurance Girls Service Club of Los Angeles has nominated Nora Walker, Firemen's group, for president. Officers will be elected May 20. Nora Walker and Dorothy Moran were elected delegates to the national convention in Nashville.

Mrs. Elsie S. Kelsey, 47 years with R. B. Stephens & Co. agency, Los Angeles, won the highest honor for long service with one employer at a dinner given by the National Association of Manufacturers, working through the southern California committee for understanding of private enterprises. She was presented a gold watch.

At a meeting of the Insurance Women of Denver, W. M. Snider of the Daly agency spoke on comprehensive liability. The Denver club is sending Elsie Mayer, national president, and Bertha Rachofsky, national corresponding secretary, to the national convention in Nashville, June 20.

Bert W. Levitt of Long & Levitt, insurance attorneys, spoke on "What the Supreme Court Is Doing to the Constitution and Its Effect upon the Insurance Business" before the Fire Underwriters Forum of San Francisco.

Ralph C. Scott, manager of the Bishop Insurance Agency, Honolulu, is in San Francisco, where he will remain for a week or 10 days.

President W. B. Glassick of the Insurance Exchange of Los Angeles, has named Harold McGee, head of the Wren & Van Alen agency, chairman of the casualty committee.

A. B. Comfort of Comfort & Davis spoke on the "Gold Standard" to the Insurance Women's Club of Tacoma.

H. L. Stamey of Hansen & Rowland, Tacoma general agency, was married to Miss Barbara Augusta Schneider of Seattle.

J. R. Maloney, senior examiner of the California department, is the father of a son, who is the first grandson of Assemblyman T. R. Maloney, well known San Francisco broker.

Mrs. Louise A. Deatherage, head of the Deatherage Insurance Agency, Spokane, Wash., was married to Dean S. Leick.

D. E. Eveleth, assistant secretary and manager automobile department Pacific National Fire, talked to Insurance Post 404, American Legion, in San Francisco.

A new Seattle agency known as Fitts Realty Co. has been formed by Max Burlingame and Harold Fitts. G. B. Dunn has joined the organization as office manager.

CANADIAN

B. C. Board Members Renamed

VANCOUVER, B. C.—Reappointed to the Insurance Board of British Columbia are W. R. Sloan, British Columbia manager Royal Exchange, representing board companies; Donovan Allen, manager Massie & Renwick, representing non-board companies; J. T. Armstrong of Armstrong & Lang, representing board agents; J. P. McBeath of Roirson, McBeath Insurance Agency, representing non-board agents.

The board assists the superintendent of insurance in passing on license application.

Term Rule in B. C. Changed

VANCOUVER, B. C.—Following an amendment to the British Columbia in-

PACIFIC COAST AND MOUNTAIN

Honor Hodgkinson, to Retire May 1

SAN FRANCISCO—About 200 company executives, brokers and officials of the National Automobile Club will attend a luncheon May 1 honoring Arnold



A. Hodgkinson

Hodgkinson, general manager of the club and branch secretary of the National Automobile Underwriters Association, who retires from these duties on that date. Mr. Hodgkinson, however, will keep in touch with club affairs in an advisory capacity as assistant secretary and manager of the Pacific Coast Automobile Underwriters Conference. The latter comprises stockholders of the National Automobile Club and has been continued since the National Automobile Underwriters Association was organized.

Mr. Hodgkinson started in the insurance business in Seattle in 1907 with Washington Fire & Marine. In 1912 that company was reinsured by Fireman's Fund, and Mr. Hodgkinson became secretary of Vulcan Fire of Oakland. In 1922, when the Vulcan was reinsured by North British, Mr. Hodgkinson was elected manager of the Pacific Board, with instructions to effect some reorganization and stabilizing. In 1924, shortly after the National Automobile Club was organized by the conference companies, Mr. Hodgkinson was drafted as general manager with the approval of Pacific Board officials. Later the Pacific Coast Automobile Conference office was moved in with the club and Mr. Hodgkinson was elected manager of that body also.

Later when the National Automobile Underwriters Association was organized and took over the Pacific Coast conference's major activities, Mr. Hodgkinson was elected branch secretary, managing both club and conference.

After retirement actually takes effect he and Mrs. Hodgkinson plan to spend some time with their daughter, Mrs. R. B. Ritchie, Salt Lake City.

Joy Lichtenstein, vice-president and

Voigt Heads New Surplus Line Group

SEATTLE—The new Surplus Line Brokers Association of Washington was formally launched with the election of R. E. Voigt, Sweet & Crawford, as chairman; and E. R. Bowden of Bowden, Gazzam & Arnold, as secretary-treasurer. The executive committee includes Frank Burns, Frank Burns Co.; D. K. MacDonald, Carter, MacDonald & Co.; I. C. Rowland, Hansen & Rowland, Inc.; and George W. Farnsworth, Marsh & McLennan.

The chairman instructed the executive committee to study the proposed constitution, by-laws and rules and regulations submitted by Commissioner Sullivan for consideration. The tentative proposal is modeled after the California setup.

Mr. Bowden, C. W. Jamieson of Carter, MacDonald & Co., and Stuart G. Thompson were appointed to confer with representatives of admitted companies to agree upon definitions of "admitted" and "non-admitted" lines.

The next meeting will be held early in May. Present plans call for the association to begin functioning by June 11, the date Washington's new surplus line law takes effect.

Pacific Coast manager of Hartford, is chairman of the committee in charge of the luncheon. Other members of the committee are A. T. Bailey, retiring Pacific coast manager and vice-president of North British; William Deans, Selbach & Deans, president of the National Automobile Club, and W. W. Gilmore, London & Lancashire.

California Convention Set for Sacramento Nov. 10-12

OAKLAND, CAL.—The 1941 convention of the California Association of Insurance Agents will be held in Sacramento Nov. 10-12. The directors so decided at a meeting here.

Neal Harris, chairman of the legislative committee, reviewed the situation at Sacramento where the organization is watching, supporting or opposing a number of important bills—one being the fictitious automobile fleet bill which last week received a favorable vote

insurance act eliminating term limitations on fire insurance contracts, the British Columbia Underwriters Association has circularized its members authorizing the writing of non-manufacturing risks, buildings only, and, with certain exceptions, for three years at 2½ times the annual premium. The rulings regarding term policies follow the lines of those recently adopted in other jurisdictions.

NEWS BRIEFS

Stanley Overy, for 12 years in the Montreal office of the Springfield Fire & Marine, has been transferred to Toronto.

Locke & Ree of Vancouver have been appointed general agents of the Western Union of Calgary, newly licensed in the province for fire, automobile, accident and sickness.

MOTOR

Auto Production Program May Intensify Sales

NEW YORK—The announced determination of the leading automobile manufacturers to curtail by 20 percent production of 1942 models in the interest of the defense program will undoubtedly accentuate the tendency of motorists to get new cars ahead of the day that they had intended to buy. The expectation of such a move had already caused a sharp increase in sales. Automobile underwriters all are impressed with the number of transfer notices that they have been receiving.

The production curtailment is expected to improve the used car market, and that will cause an increase in the value of loss settlements under the actual value form. It is also likely that the cost of parts replacements will increase, thus making partial losses more expensive.

Auto Dealer Licenses Suspended

LOS ANGELES—Commissioner Caminetti has suspended the licenses of Hilton Motors and Estes K. Hilton for five days. Conditions of restoration are that they have not participated in any way in insurance, and that from the time of restoration they file certified copies of the kind of insurance and its dates and premiums, and furnish the insured with a certificate of insurance or copy of his policy. They were found guilty of having given wrong information about coverage on an automobile, saying it was for 30 months, when the finance company that had part in the handling of the conditional contract actually placed insurance for 24 months and the purchaser was not notified of the true situation.

J. G. Penry, who has been manager of General Exchange in San Antonio, has joined Acacia Mutual Life there.

MARINE

New Jersey 1940 Marine Totals

Total ocean premiums in New Jersey last year were \$731,537, with paid losses of \$155,852. Premiums written in 1939 totaled \$422,912 with paid losses of \$138,017.

Inland marine premiums amounted to \$1,401,670 with paid losses of \$478,684. In 1939 the premiums totaled \$1,201,425 with losses of \$670,561.

LMU.A. Meet May 13, Hershey, Pa.

NEW YORK—The Inland Marine Underwriters Association will hold its annual meeting at Hershey, Pa., May 13, Hotel Hershey. The preceding day

the executive committee will meet, the first time outside of New York.

NEWS BRIEFS

G. L. Richards, manager inland marine department of Automobile, Boston,

discussed inland marine coverages before the Worcester (Mass.) Board.

At a meeting of the Marine Insurance Girls Club of Los Angeles, Virginia Morgan of the Pacific Marine Agency spoke on the government service floater policy.

EASTERN STATES ACTIVITIES

Mass. Companies Have Defense Group

BOSTON—Massachusetts fire and casualty insurance companies at the instance of Commissioner Harrington have begun organization with a view to cooperating with the governor's Massachusetts defense committee.

The general committee which will represent the insurance company interests include E. C. Stone, United States manager Employers Liability; W. R. Hedge, president Boston and Old Colony; W. B. Cruttenden, president Springfield Fire & Marine; J. F. Craft, eastern manager Fireman's Fund; Bruce Black, president Liberty Mutual; O. W. Stewart, manager inspection department factory mutuals; G. W. Howell, manager Mutual Fire Inspection Bureau; C. F. Galloway, United Mutual Fire.

The first achievement of the committee has been to establish a training school to prepare workers for special defense work. A school for women is now in progress, attended by some 250 women who are paying \$35 each for the course. In charge of the school is Mrs. Plowden, deputy assistant air warden of Oxford, Eng. When the young women graduate they will be placed in schools about the state to prepare the youth for defense work.

A school of instruction for men, for which some 400 or 500 are ready to enroll, largely from the inspection departments of the insurance companies, is nearly ready to start. It will fit men to develop defense activities and to carry on practical inspections of industrial plants throughout the state. They will be in charge of an English army officer now here.

The Bay State Club has been asked to cooperate in providing speakers and lecturers. The Boston chamber of commerce will also provide a course of five weekly sessions with instructors furnished by the insurance companies.

A card index of all insurance men in the state available for training for defense work, arranged by towns, will be collected and filed with the insurance department.

Insurance companies are urging early placing of orders for pumps that an adequate supply may be available early for all parts of the state, in view of a possible concentrated demand.

The immediate contract of the insurance company setup under the commissioner of insurance will be with Gen. Daniel Needham, of the Governor's Committee.

Mass. Short Course June 10-12

BOSTON—An insurance short course for all agents in the state and their employees, to be held June 10-12 at

Cut Number and Wording of Forms in Philadelphia Area

PHILADELPHIA—The Philadelphia division of the Middle Department Rating Association is furnishing producers and offices five new forms, Nos. 800 to 804, inclusive, which supersede more than 200 forms previously used in the Philadelphia territory.

The forms cover: No. 800, buildings; 801, contents; 802, household contents, dwelling, store and dwelling, and apartments; 803, dwelling or store and dwelling; and 804, identical with 803 except for inclusion of mortgage clause.

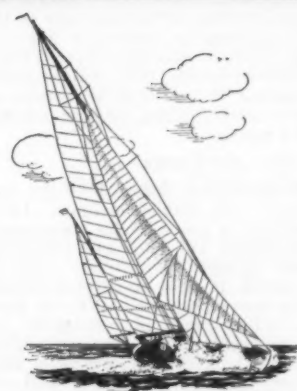
The insuring clause in the new forms contains four printed lines or less, compared with a total of up to 20 in the old. For more than 50 years forms have been drafted by companies and agents individually with resulting confusion and added cost of underwriting. There has also existed a constant danger of non-concurrence.

Members of the committee drawing the new forms were divided equally between companies and agency officers.

Massachusetts State College, Amherst, Mass., is announced by the Massachusetts Association of Insurance Agents. It will cover agency management, survey selling, U. and O., extended coverage endorsement and various "new trends in insurance," with speakers selected for their effectiveness in presenting their special lines.

Philadelphia Outing Arranged

E. E. Lindner, Indemnity of North America, chairman of the annual "fund" committee of the Insurance Society of Philadelphia, announces that the out-



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"INLAND MARINE"

a vacation opportunity

Change "summer slump" to "sales jump!" Vacation time spells opportunity to Pacific National agents. With the aid of Pacific National field men and proven sales methods, they will write All Risks Floater policies for vacationists and tourists everywhere—protecting personal possessions "anywhere in the world."

SEE FOR YOURSELF how this sound, progressive Company helps its Agents write Inland Marine. Send for sample copies of Pacific National sales helps. They can show you the way to extra summer volume.

ing will be held on June 18, at Lulu Temple country club, North Hills, Pa.

Many Insurance Bills Are Passed in Maryland

A number of measures that passed the Maryland legislature are now being examined by the state law department before being placed before the governor.

One measure sets up the uniform liquidation procedure for insolvent companies. Another bill provides a one year statute of limitations for filing suit to enforce collection of assessments against mutual policyholders. Another prohibits promiscuous sale and use of fireworks.

There is a bill to prohibit the collection of local occupational taxes and fees by towns or cities. One measure simplifies the methods of levying assessments against mutual policyholders so as to avoid some of the difficulties that were cited by the court of appeals in its decision involving assessments against the policyholders of Eastern Mutual Casualty.

There is a new section for licensing public fire adjusters.

There is a bill to impose the same requirements on reciprocals, especially with reference to assessment liability, that now applies to mutuals.

One bill would increase the assets required of mutuals that desire to write taxicab insurance in Baltimore or long haul truck insurance from \$150,000 to \$250,000.

There is a bill to require all policies in licensed companies to be registered and taxed. At present only policies covering property risks are subject to registration and payment of tax.

There would be a uniform 2 percent premium tax on all classes except business of domestic mutual fire companies.

Under a bill that was not sponsored by the department, the salary of the commissioner would be increased from \$6,000 to \$7,500 and that of the deputy from \$4,500 to \$6,000.

Heavy Loss in Lakewood, N. J.

LAKEWOOD, N. J.—A raging forest fire which started early Sunday morning, with a high wind blowing, burned more than 70 homes, garages and barns here, with an estimated loss of nearly \$1,000,000. The flames were kept back from the resort hotels, which are in the heart of the town. The damage was confined to the outskirts of the town, where many handsome summer homes of wealthy people were either burned to the ground or so badly damaged that they cannot be rebuilt.

Vermont Mid-year Honors Wills

BURLINGTON, VT.—The spring meeting of the Vermont Association of Insurance Agents here May 12 will take the form of a testimonial dinner to Governor W. H. Wills, past president of the association, and former head of a leading agency in Bennington. Superintendent Pink of New York will be the principal speaker at the banquet at the Hotel Vermont.

Edgar Elected President

A. H. Edgar has been elected president of Beidler & Bookmyer, Philadelphia. He succeeds the late E. A. Bookmyer. Other officers are: Vice-president, R. T. Bookmyer; vice-president and secretary, A. Y. McNeill; treasurer, J. F. Schneider; secretary, H. B. Luff; marine manager, W. W. Morrison.

NEWS BRIEFS

Fifty members of the New Hampshire Insurance Women's League attended a meeting in Manchester at which F. J. Shaw, special agent Aetna Casualty, discussed water damage insurance.

Read *Manufacturer & Insurance* by L. S. Meyers to increase your sales. Send \$3 for copy to National Underwriter.

W. U. A. Head Gives Message

(CONTINUED FROM PAGE 5)

show that they are your principles. Your correspondence should never indicate incorrectly that your association is forcing you to do something against your will.

Uniform Printing & Supply Co.

"At the annual meeting three years ago the governing committee was given full discretion as the representatives of the majority of the stockholders of the Uniform Printing & Supply Co. to modify or dispose of the stock ownership of this organization therein, upon such terms and by such means as will best preserve necessary printing and service and terminate or modify mutualized stock ownership or operation in such printing enterprise." Transfer of the assets involved was made to the Courier-Citizen Company of Lowell, Mass.

Sales Is Advantageous

"As president of the association I had a part in and am familiar with all of the details of the negotiation and sale, and on this knowledge is based my belief not only that an advantageous sale was consummated but also that the best possible selection was made in choosing from the various bidders the Courier-Citizen Company, a corporation of unquestioned financial strength and long experience in specialty printing and distribution of product.

"The production and distribution of our printing requirements is a highly specialized operation which cannot easily be duplicated; the purchasers of the Uniform Printing & Supply Company are retaining the trained personnel necessary for the continuation of the satisfactory service heretofore rendered by the old company.

Figures for 1940

"While the information on last year's operations is not available in form for breakdown by groups of companies by states and as to liabilities, we know that for all stock companies, including direct writing, reinsurance and full cover automobile, countrywide, the loss ratio on a written basis for fire premiums only was in 1940 42.2 percent as against 42.1 percent for 1939. The loss ratio in 1940 on all collateral or accessory lines was 38.7 percent, a decrease from 1939 of 2.2 points or 5.3 percent. The accessory lines gained 27.3 percent in volume and the increased volume on fire business was 4.3 percent.

Look Into the Future

"We must look forward to the coming year with mixed feelings. In all probability, a considerable increase in fire insurance business will be written by our member companies. On the other hand, it will be a very difficult year in many respects. We are facing court action and investigations and while we are confident that our position should not be assailable, we never know the form that investigations will take nor can we foretell the result of court action.

"In times when business is easy to obtain, premiums are increasing and loss ratio on the basis of paid or incurred losses to premiums received is naturally low, there is always temptation to ignore sound underwriting principles. We already hear numerous rumors that practices that have always been considered sound in our business are being ignored in certain localities where increases in business are large at the present.

"It is suggested that company managers think carefully whether it is in their interest, as a long-run proposition, to create precedents now that will be difficult to overcome later, or to write business now in the hope of immediate profit under conditions that will spell disaster later."

Midyette Gives President's Report

(CONTINUED FROM PAGE 3)

countersigned by a commissioned local agent. Efforts will be continued in the hope that in a reasonable time recognition may be secured of commissioned agents on intrastate brokerage business.

HOLC-SCA Contract

The president touched upon the issue created by the criticism of several commissioners of the HOLC-Stock Company Association contract on the theory that it violates the anti-discrimination or anti-rebate laws. While not conceding the validity of those objections, the HOLC and SCA desire to meet the reasonable wishes of the state officials. The contract has been modified by an agreement that sets forth in great detail what the HOLC proposes to do for the insurers to relieve them from expense as well as providing an advantageous service for the home owner. The HOLC is to receive for such work such a sum as may be agreed upon by the HOLC and the SCA as reasonable compensation.

Mr. Midyette recalled that there has been created a committee on graduated expense and commission to study the question of company expenses and commissions on small and large premium units in the casualty-surety field. This committee is diligently at work, he said. As far as federal defense projects are concerned, he observed that there are pending before Congress certain bills designed to permit the war department, navy department and maritime commission to waive insurance. Then there is the regulation of the war department that the contractor must secure at least four bids on his insurance requirements, two from stock companies and two from mutuals, and that in the evaluation of the bids, he must consider the dividend paying record of the mutual as a factor in the net cost. "Agency services have not appeared to concern these department heads very much," Mr. Midyette said.

Sympathetic with Government

The agents are sympathetic with the government in seeking to arrange insurance at a reasonably low cost, but he said that this cost should be consistent with sound underwriting practices and competent agency service.

The agents are willing to subscribe to a defense program that will enable stock surety and casualty companies to provide the required protection. "We believe that those agents who are equipped to write and service accounts of this large nature, would be willing, during this emergency, to join the insurance companies that are likewise willing to make a comparable contribution, in the establishment of a new classification and a new rate, with company administrative costs and agency commissions resurveyed and restated. We also believe that state supervising insurance officials, in rate controlled states, would look with favor on such an undertaking."

So far as the branch office question is concerned, he pointed out that one session of the Oakland convention has been set aside for discussion of this. The purpose of that session will be, he said, to show the membership just how production branch office operations adversely affect the agency system where it is conducted on a cost basis that is greater than the cost of operating local agencies.

On the subject of the Business Development Office, he pointed out that the



N.A.I.A. has appointed an advisory council to cooperate with the B.D.O. as a joint policy-forming authority, in outlining and effectuating the new program. One of the first steps in the new program of the B.D.O. was the "Pattern for Production" session that was offered as the opening feature of the Oakland convention.

Mr. Midyette called attention to the approaching 75th anniversary celebration of the National Board. "The record of the National Board," he said, "has been so outstanding and beneficial that all eyes must be turned in satisfaction and commendation on this branch of the industry which is so signally carrying on."

Committee Reports Given at Oakland Convention

(CONTINUED FROM PAGE 3)

ance requirements for cost-plus-fixed-fee contracts. Senator McKellar of Tennessee was successful in having the senate adopt his amendment waiving performance and payment bond by the Secretary of War. This amendment was approved by the conferees, therefore placing the War department on a parity with the Navy. The bill was passed, the report said, before a thorough study could be made of the present situation. Senator McCarran of Nevada introduced a bill to provide automobile liability for postal employees. This has been referred to the committee on postoffices and post roads. A companion measure, introduced by Congressman Flaherty of Massachusetts, has been referred to a similar house committee.

Senator McCarran has reintroduced his bill providing for the bonding of federal officials and employees. The report says that if this is passed it would have a far reaching effect on the bonding business as it directs the Secretary of the Treasury to secure a blanket bond to cover all officials and employees of the entire federal service.

Crop Insurance Program

The report says it is predicted that the crop insurance program will not be extended to any other commodity until it proves successful for wheat. The committee states that as the membership has been particularly interested in the whole subject of cooperative enterprises in this country and abroad, it is closely following the bill introduced by Senator Capper to establish a division of cooperatives in the Department of Agriculture.

Southern members have been interested in a bill on cotton warehousing because the location of storage will determine the placement of insurance in connection with warehousing.

Attention was called to the latest bills of Congressman Hobbs of Alabama, making it unlawful to transact insurance through the mails without first complying with the state license law and the last measure requiring as a prerequisite that a permit be secured from the SEC for using the mails. The committee seems in favor of these bills, declaring it is hoped that they will attract more favorable congressional consideration than previous legislation.

Senator Sheppard of Texas introduced a bill clarifying the requirements of mandatory performance and payment bonds in connection with supply contracts.

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